2011/12 University of Saskatchewan Annual Report

UNIVERSITY OF SASKATCHEWAN | usask.ca

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Financial Services Division / Administration Building / 105 Administration Place / Saskatoon, SK S7N 5A2 Canada
Ph: (306) 966-6625 / Fax: (306) 966-8351 / kate.blau@usask.ca / usask.ca/fsd

Nancy Hopkins
Chair, Board of Governors

Prudent financial management at the University of Saskatchewan combined with strong support from the provincial government saw the university conclude 2011/12 in good financial condition despite the prolonged global economic downturn. The year, however, also brought to light new challenges. As described in more detail in later sections of this report, our robust and mature planning processes have highlighted financial issues for the university that we expect will continue into the years ahead. *Promise and Potential*, our third integrated plan, was approved in March 2012 by our governing bodies and sets our direction for the next four-year planning cycle. Guided by this plan, we will vigorously pursue our priorities as we address our financial challenges.

Peter MacKinnon
President

My final year as president was filled with the same opportunities I have had the great good fortune to enjoy in the preceding 12 years: to witness the wonderful and varied work and achievements of our university. Over the past year, the first of our new student residences opened. We held the official opening of VIDO-InterVac and remarkable progress continued on the Health Sciences expansion, with the new D Wing very near completion at the year's close. University Council approved a reorganization of the College of Medicine to better enable that college to meet the demands of clinical research in addition to clinical teaching and service. We announced that we would proceed with construction of the Gordon Oakes-Red Bear Student Centre, a home for Aboriginal student services on campus alongside space for teaching, learning and ceremony. The Canadian Centre for Nuclear Innovation received University Council's approval to proceed. We marked the one-year anniversary of the Global Institute for Water Security. These and numerous other events and successes serve as reminders of all we have achieved and all we can achieve, and, more importantly, that the University of Saskatchewan is a special place with unique strengths to fulfill our first president Walter Murray's challenge that we be "...worthy of an honourable place among the best."

Vera Pezer
Chancellor

As chancellor, I have the extraordinary opportunity to revisit, through many interactions with our students and alumni, what I experienced as a student and alumnus of our university. I am regularly reminded of the many ways our far-reaching community benefits from and values its associations with the U of S. Our shared memories of our time here and how that connects us while students and as alumni is a simple example. Cheering on our favorite Huskies team, sitting in the sun in the bowl, walking across the convocation stage – these recollections, large and small, are a significant uniting force for us all. Times change, our lives and where they take us change, and our university changes. Perhaps that's why as alumni we find ways to come together here and elsewhere, to share in some nostalgia and hear news about our classmates and alma mater. The unique ties we forge at our University of Saskatchewan maintain our interest in its future and bind us together as its alumni.

Management Discussion and Analysis
2011/12

Setting the Context

This section provides reflections on the year just completed and information about our future outlook.

Although our financial results for 2011/12 are relatively strong, the close of the year highlighted a shift in our university's projected financial fortunes.

The planning and budgetary projections that accompanied the development in 2011/12 of *Promise and Potential*, our third integrated plan, underlined a widening gap between revenues and expenses that will lead to a projected $44.5 million deficit in our operating budget by 2016, if not addressed. A number of factors are responsible for this gap. On the expense side, we continue to face the growing costs of employee pension plans, salaries and other benefits, the operating costs of new facilities, and a pressing backlog of maintenance and repair items. On the revenue side, we see a trend across Canada of reduced post-secondary education funding, continued economic volatility, and increasing competition for donor contributions and research dollars. Further, a change in the way the provincial government funds our capital costs, from a cash grant to requesting the university to debt finance, will increase our debt load and reduce our financial flexibility.

Thus, in the spring of 2012, we began a process of communication, feedback and strategy development to address our changing financial situation. We have developed a structure that will bring together knowledgeable individuals and experts from across campus to generate ideas for change that will reduce our projected revenue/expense gap and eliminate the $44.5 million projected deficit. We aim to arrive at permanent operating budget reductions in the range of $9-13.5 million per year over the next four years.

For 2012/13 alone, we projected a deficit of $15.5 million in the operating budget. Through some immediate actions—reductions in planned spending realized through both budget refinement and delay of some activities—we were able to reduce this figure to $6.0 million. However, only $2.5 million of this $9.5 million reduction involves permanent adjustments that will carry forward to subsequent years' budgets. Further work during the fiscal year will result in additional permanent reductions to the budget.

This evolving financial challenge was already evident in 2011/12, with an increase in the university's salaries and employee benefits expense this year, due primarily to pension costs.

Additionally, revenue from investments dropped substantially this year compared to the previous two years. Continuing economic volatility means we face ongoing uncertainty not just on operating investment income, but for pensions and endowments as well. In contrast, we saw continued strong support from the Saskatchewan provincial government, with both economic and targeted funding grant increases. As well, overall student fee revenue increased by eight per cent, reflecting a tuition rate increase as well as increased student enrolment and the introduction of a higher tuition rate for international graduate students.

Extensive work was undertaken in 2011/12 on two key projects designed to improve efficiency and transparency: the Service Process Enhancement Project (SPEP) and the Transparent, Activity-Based Budget System (TABBS). SPEP is tasked with identifying recommendations for service and process enhancement at the university while ensuring the most effective and efficient use of resources. TABBS, which provides a more responsive and transparent budgeting system, is already being used for information purposes alongside our historical budgeting methods and will become our budget model by the end of the current planning cycle in 2016. Our employees made substantial progress on both these projects in 2011/12, though the full benefits of both projects will not be realized immediately.

In the following discussion and analysis, through tables, graphs and explanatory text, we provide the "guided tour" of the university's finances for the fiscal year 2011/12. Sub-sections depicting our financial performance, flexibility and sustainability are enhanced with metrics that show the university's position relative to previous years, other institutions and/or relevant benchmarks.

The following tables provide context to total revenue, research revenue, and how our performance compares to other medical-doctoral universities in Canada.

University of Saskatchewan (in millions)	2007/08	2008/09	2009/10	2010/11	2011/12
Research Revenue	$204.8	$177.1	$185.7	$206.6	$167.8
Total Revenue	$710.6	$793.5	$808.1	$919.2	$860.8
Research Intensity	29%	22%	23%	22%	19%

The University of Saskatchewan, one of 15 medical-doctoral universities in Canada, is a member of the U15, a group of 15 leading research-intensive universities in Canada. Median results for this group of universities are shown in the following graph:

Medical-Doctoral University-Median (in millions)	2007/08	2008/09	2009/10*	2010/11*	2011/12**
Research Revenue	$262.0	$273.5	$208.4	$191.9	
Total Revenue	$971.3	$897.0	$931.3	$925.2	
Research Intensity	27%	31%	22%	21%	

**Excluding Quebec information which is unavailable*
*** 2011/12 CAUBO information unavailable*

Financial Overview

This section provides information about our annual revenues and expenses.

Financial Operating Results (in millions) for the year ended April 30	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue					
Grants and contracts: Government of Saskatchewan	$314.9	$444.9	$352.8	$444.5	$420.2
Student fees	89.2	90.6	96.5	103.0	111.3
Sales of services, products and other	79.8	86.0	83.9	90.3	94.6
Grants and contracts: Government of Canada	74.9	84.4	123.7	94.8	86.6
Other government and other grants	99.1	75.5	57.2	96.0	77.7
Investment income	6.8	(21.7)	51.2	42.7	18.0
Gifts, grants and bequests	37.8	20.5	27.7	31.7	32.1
Other income	8.1	13.3	15.1	16.2	20.4
Total Revenue	**$710.6**	**$793.5**	**$808.1**	**$919.2**	**$860.8**

Strong financial support from the Government of Saskatchewan continued with provincial revenue comprising 49 per cent of total university revenue. Variability in annual funding is primarily related to capital project funding. Prior-year funding included $50 million in capital support (which did not re-occur in 2011/12) for the Health Sciences project. Almost every provincial ministry provided funding to the university, with the operating grant from the Ministry of Advanced Education, Employment and Immigration (AEEI) comprising the largest component ($293.9 million of total AEEI funding of $325.3 million). The 2011/12 operating grant initially approved by the province included an increase of 7.2 per cent that provided a 5.1 per cent ($13.6 million) economic increase and a 2.1 per cent ($5.8 million) targeted funding increase for medicine and nursing program expansion, as well as other programs and initiatives.

Provincial funding was also received from the Ministry of Health ($71.9 million), which supports the Clinical Services Fund, Northern Medical Services program and Saskatchewan Health Research Foundation projects.

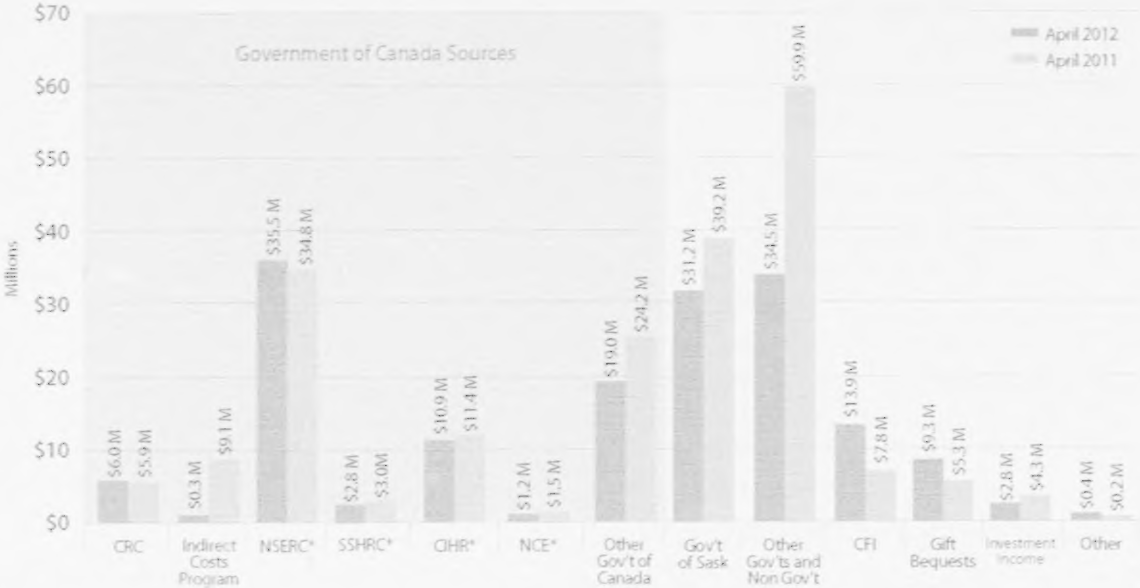
Revenue from student fees has increased to $111.3 million due to both rising enrolment and tuition increases of about three per cent for the year. Tuition and fee revenue comprises 23 per cent of the operating budget (from a high of 30 per cent in 2004/05). University tuition rates are based on principles of comparability, affordability and accessibility and quality.

Investment performance was disappointing due to continued market volatility and depressed equity markets.

Research revenue for 2011/12 of $168 million, although lower than 2010/11 revenue of $207 million, is comparable to previous years. Looking at the decade since 2002/03, the university has significantly expanded its research enterprise from roughly $100 million annually to between $170 and $200 million annually. The university's revenue recognition policy can make year-over-year comparisons difficult, as the timing of revenue recording fluctuates based on timing of funding confirmation. For example, during the current year, funding of $8.7 million for the Indirect Costs of research Program (ICP) is not included in the annual total because notification of receipt of the award was not received until May 2012. Canada Foundation for Innovation (CFI) and Western Economic Diversification (WED) funding for major capital projects, including building research infrastructure such as VIDO-InterVac, also significantly impact year-over-year comparisons.

The grand opening of the $140-million International Vaccine Centre (InterVac) was held September 16, 2011. Prime Minister Stephen Harper, Premier Brad Wall and Don Atchison, Mayor of Saskatoon, were in attendance with University of Saskatchewan President Peter MacKinnon.

Research Revenue by Source
for the year ended April 30, 2012 - Total $167.8 M (2011 $206.6 M)



The U of S includes the Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council (SSHRC), the Canadian Institutes of Health Research (CIHR) and the Networks of Centres of Excellence (NCE) in Tri-Agency Funding.

As the above graph indicates, the Government of Canada provides the majority of funding for research through Tri-Agency grants and contracts as well as CFI support.

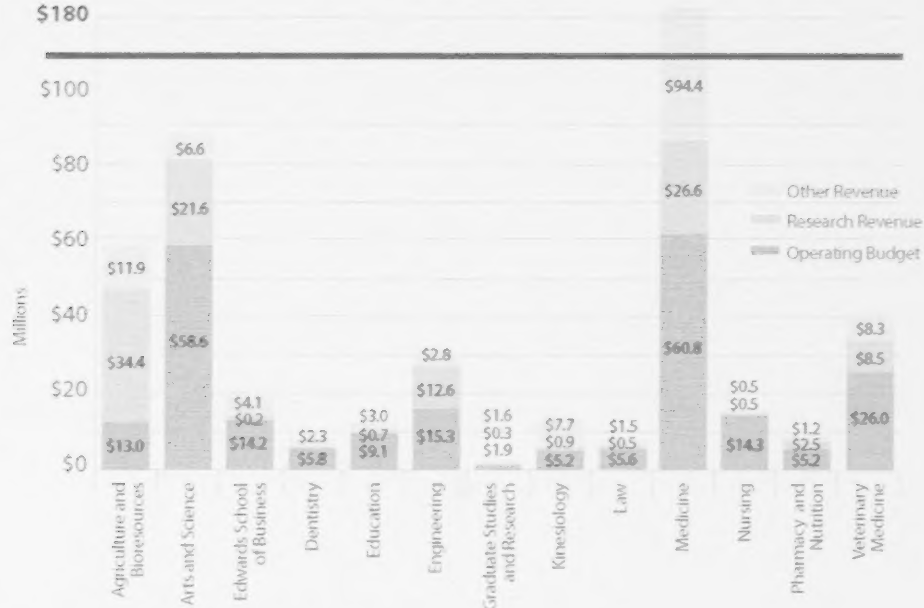
Research funding sources that have remained relatively stable over the 10-year period include Tri-Agency revenue of about $30 million annually (excluding revenue attributable to Canadian Light Source Inc.). Also of note is continued growth in federal research funding of the Indirect Costs Program (ICP) to about $9 million annually ($8.7 million in ICP funding was awarded in May 2012 and so was not recorded in 2011/12), and growth in Canada Research Chair (CRC) funding to about $6 million annually.

The Government of Saskatchewan also provides significant research funding, including $31.2 million that supports core funding for VIDO-InterVac of $3.5 million; funding of $1.6 million for the Canada Research Chair program; and matching funding for CFI projects of $8.5 million [from the Innovation and Science Fund (ISF)], $5.5 million of which is for VIDO-InterVac and $3 million of which is for projects across campus. Additionally, support for College of Agriculture and Bioresources research is provided, including: $2.5 million for the Strategic Research Program (SRP) research teams; a $1.2 million operating grant for the Crop Development Centre; and $2 million to fund equipment for the new dairy research facility.

Revenue Summarized by College

Many university programs and initiatives are carried out at the college level. Revenues by type (operating, research and other) are shown in the following graph. "Other" includes, for example, targeted funding from government ministries, clinical practice revenue in the College of Medicine, and sales of service activity including through the Veterinary Teaching Hospital in the Western College of Veterinary Medicine.

Source of Revenue for Colleges
for the year ended April 30, 2012 – Total $490.2 M



Expenses (Deployment of Resources)

Financial Operating Results (in millions) for the year ended April 30	2007/08	2008/09	2009/10	2010/11	2011/12
Expenses					
Salaries and employee benefits	$372.2	$429.3	$492.0	$478.7	$589.0
Operational supplies and expenses	82.1	80.9	89.4	103.0	118.6
Costs of goods sold, equipment maintenance, rental, travel and other	46.5	57.9	45.0	53.0	72.7
Scholarships, bursaries and prizes	26.3	27.2	28.6	32.0	35.0
Utilities	20.2	20.4	20.3	21.6	21.3
Amortization	53.2	55.7	60.1	61.4	64.8
Total Expenses	**$600.5**	**$671.4**	**$735.4**	**$749.5**	**$901.5**

Total expenses increased overall by $152 million or 20.3 per cent over the prior year. The most significant increase can be seen in salaries and employee benefits, and was due primarily to extraordinary pension payments and recognition of dramatically increased pension liabilities.

Salary and benefit expenses, as a percentage of total expense, comprise the largest portion of our expenses at 65.3 per cent ($589 million). This compensation expense relates to about 8,000 staff in five bargaining units and exempt staff as well as honoraria expense (excluded in staff totals). Of the total compensation expense, salaries comprise $427.7 million, and benefits comprise $161.3 million (including an extraordinary defined benefit pensions expense increase of $84.8 million over 2010-11 to $105.5 million). Salary expense from year-to-year reflects the results of collective bargaining agreements for the period, staff turnover and changes in staffing levels. The university's approach to collective bargaining is based on a board-approved strategy for compensation that takes into consideration the principles of market and merit with the goal of being competitive and fiscally responsible.

At year-end, all collective agreements were current.

- Faculty Association: July 1, 2010 – June 30, 2013 (ratified September 2010)
- Administrative and Supervisory Personnel (ASPA): May 1, 2011 – April 30, 2014 (ratified January 2012)
- CUPE 1975 (support staff): January 1, 2010 – December 31, 2012 (ratified March 2010)
- CUPE 3287 (sessional lecturers): September 1, 2010 – August 31, 2014 (ratified May 2011)
- PAIRS (interns and residents): January 1, 2009 – December 31, 2012 (ratified April 2011)

Benefit plan costs at $53.3 million (excluding the pension and other future benefit valuation adjustments) have remained relatively constant at 12.5 per cent of salary cost.

Also noteworthy is the increase in "costs of goods sold, equipment maintenance, rental, travel and other" of $19.7 million. This was due largely to the fluctuation in value of risk management instruments (interest rate and natural gas commodity agreement swaps), which increased $16.3 million, from $6.0 million in the prior year to $22.3 million in the current year.

Financial Performance

This section provides key metrics measuring the university's ability to: balance operating revenues and expenses; meet fundraising targets; meet investment earnings targets; and maintain sufficient working capital.

Metric 1 / Financial Performance / Annual operating surplus/deficit position compared to budget and operating reserve

Variances in annual revenues and expenses in restricted funds carries forward in future years as either an increase or decrease in the restricted fund balance, available for specific projects to which funding relates. Variances in revenues and expenses in the operating budget fund result in an operating surplus or deficit at year end. The university has a history of closely managing budgets with year-end variances generally between one and two per cent of annual operating expenditures. The following depicts the operating budget only.

Summary of Operating Budget Results and Operating Reserve Balance
for the period 2000/01 to 2011/12

	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12
Budget												
Expenditure ($M)	205	225	231	260	263	274	294	311	337	366	389	420
Surplus/Deficit ($M)**	4.3	1	0.6	0	(2.5)	0.1	2.4	0	0	(0.9)	0	0
Actuals*												
Variance ($M)	+3.1	+4.8	+4.0	+4.7	+2.2	+3.1	+4.3	+8.7	+6.0	+18.6	+8.7	+7.8
Variance (%)	**1.5%**	**2.1%**	**1.7%**	**1.8%**	**0.8%**	**1.1%**	**1.5%**	**2.8%**	**1.8%**	**5.1%**	**2.2%**	**1.9%**
Reserve**												
Opening Balance	(0.2)	4.1	5.1	5.7	5.7	3.2	3.3	6.1	6.7	10.8	15.5	15.5
Closing Balance	4.1	5.1	5.7	5.7	3.2	3.3	6.1	6.7	10.8	15.5	15.5	18.1
Reserve as % of Total Expenditure	**2.0%**	**2.3%**	**2.5%**	**2.2%**	**1.2%**	**1.2%**	**2.1%**	**2.2%**	**3.2%**	**4.2%**	**4.0%**	**4.3%**

**Before year-end allocations/appropriations*
***After year-end allocations/appropriations*

The operating reserve level of $18.1 million at April 30, 2012 is at the high end of the range (the board-approved level for the operating reserve is between one and four per cent of budgeted operating expenses). Determining the appropriate level is a delicate balance between ensuring sufficient funds to cushion against adverse events while allowing time to respond strategically and ensuring that public funds are used to their best advantage to support programs and operations. For the long term, the reserve position is targeted at three per cent. In view of the continued unease in the global economy, volatility in the markets and, in particular, the uncertainty regarding additional pension payments, it was determined that the reserve be maintained at the four per cent level in the short term.

Leslie and Irene Dubé are donating a total of $10 million to the Health Sciences project at the university.

Metric 2 / Financial Performance / Dollars raised by the University of Saskatchewan

An important indicator of operational success is funds raised from donors.

Donations
for the year ended April 30

Donations are identified both from the financial statements as well as from University Advancement (UA) reports. There are timing differences between the two measures, and some gift-in-kind activity (Canada Foundation for Innovation) is not reported within UA totals. UA is working to achieve $50 million in reported donation revenue on an annual basis.

Major gifts (of $2.0 million or more) this year were provided by: SaskPower for a faculty chair related to power systems engineering (part of a $3.5 million pledge); Murray W. Pyke for $2.0 million towards a faculty chair in geological sciences (part of a $5.5 million pledge); and the Leslie and Irene Dubé Foundation for $2.0 million towards the Health Sciences project (building and library; the first installment of a $10.0 million pledge). Many gifts have enduring value. For example, construction on the graduate student residence advanced this year, relying in part on a $6.3 million donation from Russell and Katherine Morrison, received in 2010/11.

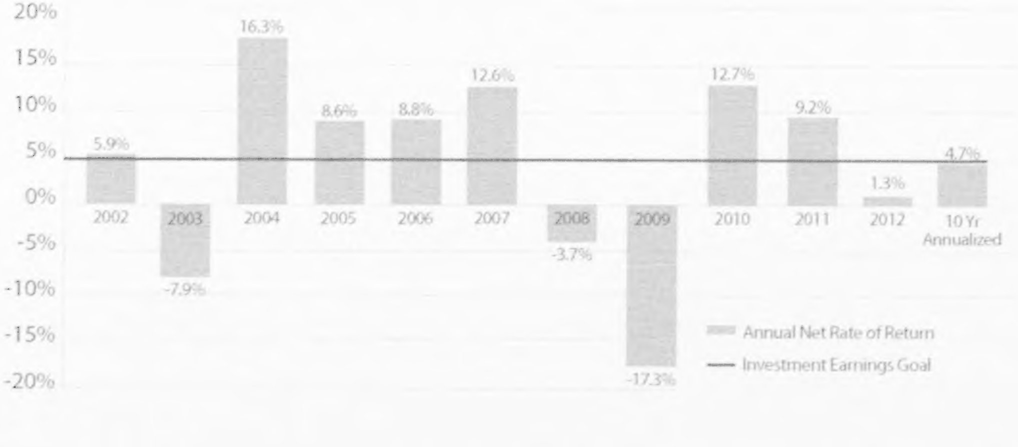
The University of Saskatchewan celebrated two important student housing milestones on September 19, 2011: the opening of the College Quarter undergraduate residence, and the $6.3 million donation from U of S alumnus Dr. Russell Morrison and his wife, Dr. Katherine Morrison, toward the construction of a new graduate residence that will be known as Graduate House.

Metric 3 / Financial Performance / Investment income compared to benchmark

Investment income was down substantially from the prior year. Overall income decreased by $24.7 million (to $18 million) as a result of long-term pool returns of 1.3 per cent (9.2 per cent in the prior year) and fixed income pool returns of 4.2 per cent (4.8 per cent in the prior year). The university ensures that all available funds are invested primarily through the use of two pools (long-term pool and fixed income pool) which are managed by external professional investment managers. These investments are valued at market and influenced by market trends. Assessment of performance is ongoing with comparisons to benchmarks and peer universities.

Annual returns for the fiscal years from 2002 to 2012 for the long-term pool are summarized below. Our university investment and spending policies are aligned to ensure that investment returns, measured over the long term, support annual spending policies, with a goal of five per cent investment returns. As the graph shows, the 10-year annualized return for the period ending in March 2012 falls short of that goal at 4.7 per cent.

Endowment Spending and Long-Term Pool Rates of Return
2002 - 2012



Comparison of investment returns (provided by CAUBO; as at December 2011) to peer universities is provided in the following:

Endowments	1 year	4 year	10 year
Univeristy of Saskatchewan	(0.20%)	0.60%	4.20%
Median (endowments > $100 million)	0.80%	1.20%	4.20%
Variance to median	**(1.00%)**	**(0.60%)**	**0.00%**

Pensions	1 year	4 year	10 year
University of Saskatchewan	0.90%	2.50%	n/a
Median (endowments > $500 million)	1.50%	2.00%	5.70%
Variance to median	**(0.60%)**	**0.50%**	

Not reflected in the above chart is the fact that the U of S pays lower investment management fees than its peer universities in most cases.

Metric 4 / **Liquidity**

A key financial metric to consider is the level of liquidity available to sustain operations. Liquidity refers to the financial resources that are available to provide immediate financial flexibility in periods of extreme financial stress.

The rating methodology used by Moody's includes a liquidity measure of "net cash and investments ÷ net direct debt" which, according to Moody's, "provides a coverage ratio of the liquidity available to the institution and its outstanding debt burden."

Moody's Rating Methodology – public universities outside the United States

Score	1	3	5	7	9
Net cash and investments ÷ Net direct debt	**>1.5**	**1.2 - 1.5**	**0.9 - 1.2**	**0.6 - 0.9**	**<0.6**

At April 30, 2012, the university's liquidity position was in a category one ranking.

Net cash and investments in the General Fund	($253 million)	= ratio of 1.8
Net direct debt (external loans, internal loans and guarantees)	($140 million)	

Although our current liquidity position is strong, planned additional debt financing to be undertaken in 2012/13 means this ratio will decrease to 0.94, barely in the median range.

Financial Flexibility

This section provides information about and measurements of the sufficiency of our resources and our ability to support priorities.

The university's fund balances, or "net worth," has decreased by $40.7 million from the prior year to $1,793.6 million, with decreases in the operating fund of $76.8 million and in the ancillary fund of $19.1 million. Significant increases of $31.2 million (increase in capital assets, and funds for capital asset purchases) occurred in the capital fund. As the university follows the restricted method for revenue recognition, most research revenue is recognized in advance as contracts are signed or as grants are awarded. A significant portion of the research fund balance relates to CFI funding, which will be accessed over the next few years as project expenditures are incurred.

The following table provides an overview of the revenues, expenses and fund balances (net assets) for the year by major fund category.

					Fund Balance	
Consolidated Statement of Operations and Changes in Fund Balance (millions) for the year ended April 30, 2012	**Revenue**	**Expenditures**	**Interfund Transfer**	**Net increase (decrease)**	**April 2011 (restated)**	**April 2012**
Fund						
General						
Operating*	$ 606.1	$649 .0	$(33.9)	$(76.8)	$148.8	**$72.0**
Ancillary	45.9	36.1	(28.9)	(19.1)	(1.9)	**(21.0)**
Restricted						
Capital**	26.9	84.3	88.6	31.2	1,199.4	**1,230.6**
Research	167.8	112.9	(43.7)	11.2	250.4	**261.6**
Student Financial Aid	11.5	19.1	12.0	4.4	32.0	**36.4**
Endowment	2.6	0.1	5.9	8.4	205.6	214.0
	$860.8	**$901.5**	**$ –**	**$(40.7)**	**$1,834.3**	**$1,793.6**

Operating Fund opening balances have been restated $(2.8) million for Employee Future Benefits $(4.2) million offset by Prepaid expenditures relating to the Library $1.4 million.

***Capital Fund opening balances have been restated $(10.6) million for a write-down of Library capitalized assets.*

Metric 1 / Financial Flexibility / Endowment fund balance position

Endowment funds are those that the donor has requested the fund principal be maintained in perpetuity, with investment earnings used to support annual expenditures. Thus, endowment funds contain a mix of donations (contributed capital) and accumulated investment earnings (segregated capital). The following chart highlights the endowment fund balances over the past five years.

Endowment Fund Balance
(2007/08 - 2011/12)

Overall, contributed capital increased by $12.2 million to $172.8 million as a result of donations. With investment returns of 1.3 per cent for the year (9.2 per cent in the prior year), the segregated capital position decreased slightly from the prior year but is still relatively healthy at 23.9 per cent. Of 790 endowed funds, all but 12 have a positive segregated capital.

Another measure of endowment sufficiency is comparison to other medical-doctoral institutions. The University Investment Survey report as at December 31, 2011 (May 2012) issued by the Canadian Association of University Business Officers (CAUBO) provides a comparison of endowments per reported full-time equivalent (FTE) student by institution.

Market Value of Endowments per FTE Student (CAUBO December 2011)	Endowment Funds at December 2011 (,000)	Fall 2011 headcount estimates AUCC	Endowment per FTE
University			
Median (medical-doctoral)	$ 478,942		$ 20,672
Average (medical-doctoral)	$ 636,832		$18,824
University of Saskatchewan	**$ 200,742**	**17,094**	**$11,743**
University of Regina	$ 30,069	9,070	$3,315

Metric 2 / Financial Flexibility / Academic Priorities Fund balance and percentage of operating budget

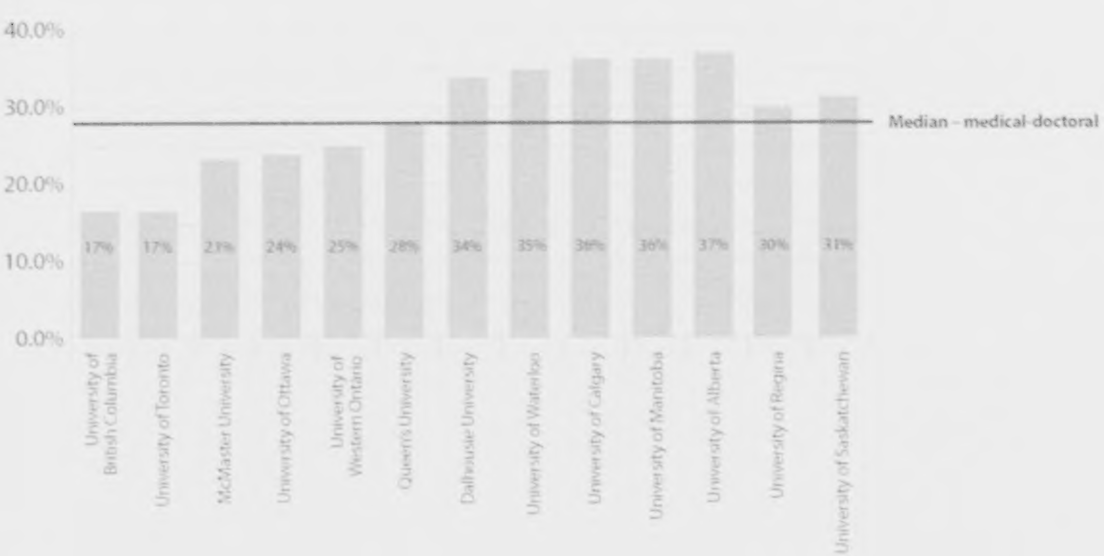
The University of Saskatchewan's Academic Priorities Fund (APF) is a special fund used to support institutional priorities. It contains $3.5 million in permanent funds entering the third planning cycle, which is 0.8 per cent of the university's operating budget of $450 million. The purpose of integrating financial and institutional planning is to support areas of highest priority. Funds of $4.8 million, which have been committed from the APF during the university's second integrated planning period (2008/09 to 2011/12), reflect this closely in that items funded are initiatives expected to improve the student experience, enhance research profile and improve our ability to work together more effectively.

Metric 3 / Financial Flexibility / Scholarships and bursaries

Scholarship and bursary spending increased from the prior year by $3 million, to $35.0 million, with $11.3 million for undergraduate support and $23.7 million for graduate support. Over the five-year period since 2007/08, scholarship support has grown by 33 per cent, from $26.4 million to $35.0 million in 2011/12.

The following graph provides an overview of the level of scholarship/bursary support compared to tuition revenue (based on 2009/10 CAUBO data) for medical-doctoral universities (excluding Quebec universities) and the University of Regina.

Scholarships, Bursaries and Prizes as a Percentage of Tuition and Fees



Financial Sustainability

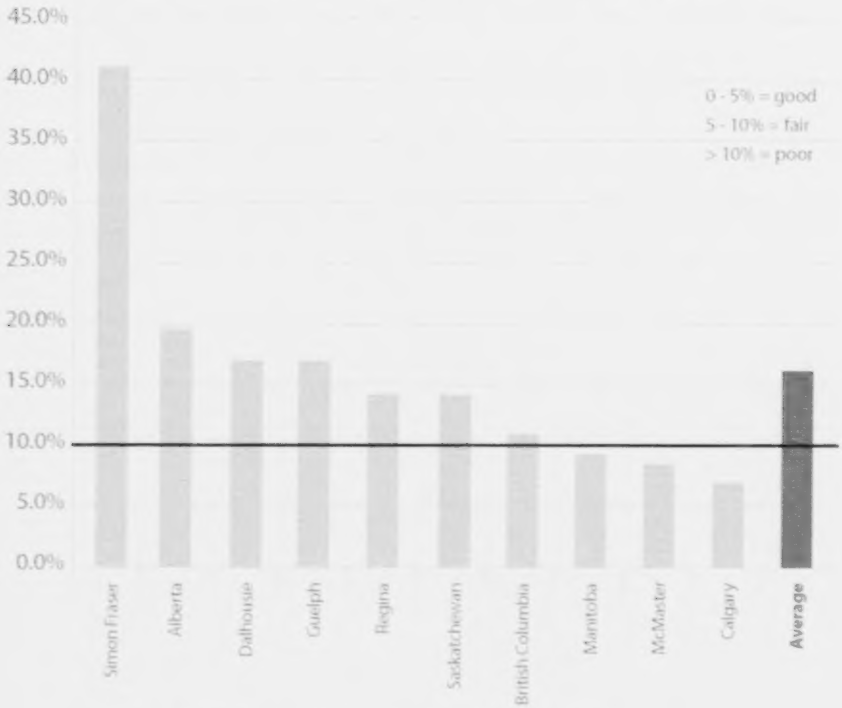
This section provides information about and measurements of our long-term financial health, including non-financial statement measures: deferred maintenance backlog; debt and comparison to debt capacity; and comparative "best estimates" position of defined benefit pension plans.

Metric 1 / Financial Sustainability / Deferred maintenance backlog

The U of S main campus on College Drive occupies 744 hectares and includes 164 buildings. Replacement cost of the campus infrastructure was estimated at $3.9 billion at April 30, 2012.

The Facilities Condition Index (FCI) measures the estimated deferred maintenance backlog as a percentage of total replacement value. APPA (Leadership in Educational Facilities), an association for those engaged in the field of educational facilities management, conducts an annual survey and benchmarking of education facilities worldwide. The following graph shows the 2010/11 FCI for various Canadian universities.

Facilities Condition Index (FCI) 2010/11
(Cost of deferred maintenance backlog as a percentage of capital replacement value cost)



Source of data is APPA. Data for 2011/12 is not available until spring 2013.

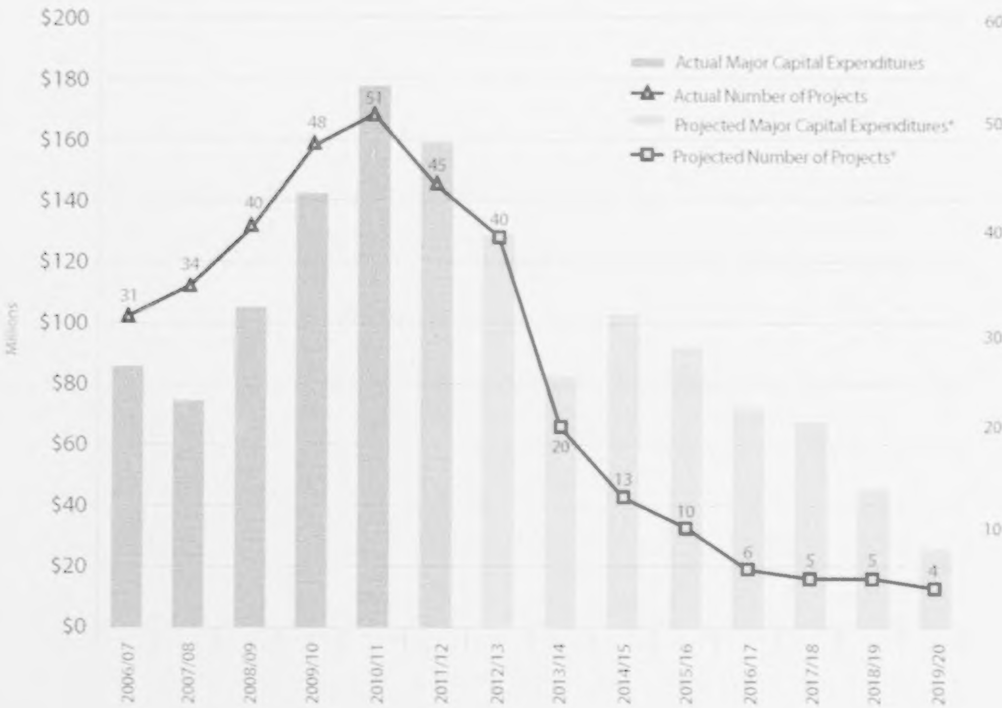
Although the current FCI for the U of S, at 13%, is comparable to peer universities, it is a concern because it falls within the poor range. Based on APPA standards, it is desirable to fall *below* the 10 per cent line and even better to be below the five per cent line. The university's RenewUS program was developed to comprehensively address deferred maintenance, and planning is well underway in identifying necessary actions and required resources to reach program goals. One goal of the RenewUS initiative is to update FCI data in 2012/13 to ensure that we have a clear baseline assessment as we begin work to improve our FCI ratio.

Capital expansion—enhancing and expanding our facilities—has been an area of focus in recent years. The U of S has benefited greatly from the financial support of numerous partners, including the province, the federal government and donors. Obtaining sufficient funding to maintain the core campus and accommodate infrastructure renewal will continue to be a major focus for the university.

Metric 2 / Financial Sustainability / Major capital project expenditures

The following chart illustrates a period of continued unprecedented capital expansion with $159 million in expenditures for 45 major projects in 2011/12.

Major Capital Expenditures and Number of Projects



**Note: The above graph includes all major university projects including construction, infrastructure, information technology and Canadian Light Source Inc. (CLSI) projects. Projected expenditures and number of projects are based on only those that are currently approved and/or in development. These projections will increase based on capital requirements, funding availability and new opportunities.*

Major project expenditures include $63.2 million on the Health Sciences project, and $47.6 million on new undergraduate and graduate residences.

In September 2011, 320 new residence beds were available for students, with an additional 480 to be available in 2012. Construction is underway on graduate housing (262 beds) to be completed by January 2013. With these additional residence facilities, built at a total estimated capital cost of $108.9 million, the percentage of the U of S student body that can live in residence will increase from six per cent to 12 per cent (compared to our goal of 15 per cent).

Eventually these residences will become part of the mixed-use village envisioned for the College Quarter. Residences will exist among sports facilities, restaurants and green spaces, enhancing student life and contributing to a richer student experience.

Work nears completion on Health Sciences D Wing at the close of 2011/12.

Metric 3 / Financial Sustainability / Debt outstanding and comparison to debt capacity limit

During 2010/11, the U of S Board of Governors approved a debt policy for the university. The policy recognizes that the university will incur debt for projects that will produce incremental revenues or cost savings and that have a feasible repayment plan. However, the debt policy places limits on total university borrowing with reference to industry standards used by rating agencies. Current university debt of $107.9 million is within the debt capacity range. Of concern though, given commitments for residences over the next two years coupled with a new request in 2011/12 from the provincial government that the university take on additional debt of $95 million for capital projects, is that our debt is projected to increase to $199.2 million by 2012/13.

This is a high-risk area; with new borrowing to be undertaken during 2012/13, the university will exceed debt capacity policy limits and will far exceed debt compared to peer universities.

Measure	U of S Metric	Current position at April 2012	Peak debt level projected with existing commitments 2013	Median comparator group (millions)
Debt Level		**$107.9**	$199.2	$186
Debt Affordability Total capital debt as % of total revenue	< 20%	**12.5%**	23%	32%
Total Capital Debt as % of revenue available for repayment	< 33%	**16.5%**	33%	n/a
Debt Service Coverage Ratio of principal and interest as % of general revenue	< 3%	**0.9%**	2%	n/a
Resource Allocation Total debt per full-time equivalent (FTE) student	≤ 12,000/FTE	**6,223**	11,493	6,876

Metric 4 / Financial Sustainability / Pension plan comparative "best estimate" position

In response to the investment market crash of 2008/09, the university undertook a scenario analysis that demonstrated the largest and most immediate risk for the university was the potential annual payment obligation related to its defined benefit pension plans. In addition, the university has two defined contribution plans, whereby the employer contributions are limited to the agreed contribution rates. For 2011, there were 6,000 employees and retirees participating in all five pension plans with total investment assets of $805 million at Dec. 31, 2011.

With the board's direction and through the work of a number of university departments, much has been accomplished to alleviate the pension plan payment risk.

Measures undertaken include:

- developing and approving funding policies for all plans
- negotiating employer and employee contribution increases
- reviewing and revising investment mix
- government lobbying for legislative change to solvency regulations

In spite of these measures, investment returns below expected levels coupled with very low discount rates have resulted in a deteriorating going-concern and solvency position for all three defined benefit pension plans. ("Going-concern" and "solvency" are two valuation methods used to determine an employer's funding obligation.)

Comparative "Best Estimate" Position

The going-concern position (assuming a five per cent margin above "best estimates") has worsened to a combined deficit for all three plans of $55.1 million as at December 31, 2011 ($21 million deficit in the prior year). Funding policies for each plan establish an acceptable surplus range of 105 to 120 per cent of "best-estimates" liabilities. At December 31, 2011, all three plans were outside of that range and were below 100 per cent.

The solvency position has deteriorated even more dramatically to a $213.5 million deficit ($120.6 million deficit in the prior year). Solvency liabilities are determined by long-term bond discount rates which remain stubbornly low, at between 2.3 per cent and 3.3 per cent for the three plan liabilities. The province approved a three-year moratorium on solvency payments. For the university, because all plans were filed December 31, 2009, this moratorium expires December 31, 2012. During 2011/12, the province released a consultation paper which proposed two options for funding defined benefit plans:

1. Enhanced going-concern – this would make public sector plans exempt from solvency payments, and is the option preferred by the university.
2. Extended solvency – this would result in annual payments of about $25 million for the university.

While even the enhanced going-concern option will present funding challenges for the university and may require annual payments of about $10 million, the estimated solvency payments of $25 million annually would have dramatic consequences. To put this payment amount in context, a recent budgetary reduction of $10 million, in the wake of the 2008/09 market crisis, resulted in an average funding reduction of three per cent to colleges and units, with a loss of about 60 positions. The looming solvency issue is unquestionably the university's most significant financial risk.

Vera Pezer, Chancellor and Chair of Senate, Jay Kalra, Chair, University Council and Nancy Hopkins, Chair of the Board of Governors, led our three governing bodies in adopting Promise and Potential, the university's third integrated plan.

Looking Ahead

Our university faces substantial financial challenges. We project a deficit of $44.5 million in our operating budget by 2016 if we take no action. The strategy we have developed to meet these challenges draws on the strengths of our faculty and staff, who are committed, creative and dedicated, as well as our mature planning processes and collaborative nature.

We have begun a process to review our expenditures across four areas, or quadrants, of focus: central administrative, central academic, distributed administrative and distributed academic. A steering committee has been established to oversee the work of quadrant teams tasked with identifying opportunities and changes that will result in the necessary expense reductions as well as utilizing revenue opportunities. Through this process, we aim to make permanent reductions of $9-13.5 million to our operating budget each year during this four-year planning cycle, to arrive at a total permanent reduction in the projected revenue/expense gap of $44.5 million by 2016.

We have established our priorities with the unanimous approval in early 2012 of *Promise and Potential*, our four-year integrated plan, which will guide us as we embark upon this challenging period in our university's history.

Consolidated Financial Statements
2011/12

Statement of Administrative Responsibility for Financial Reporting

The administration of the university is responsible for the preparation of the consolidated financial statements and has prepared them in accordance with Canadian generally accepted accounting principles. The administration believes that the consolidated financial statements fairly present the financial position of the university as of April 30, 2012 and the results of its operations and the changes in its fund balances for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal controls designed to provide reasonable assurance that university assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements. The integrity of the internal controls is reviewed on an ongoing basis by the Audit Services Division.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit Committee, which is a committee of the Board of Governors. The external and internal auditors have access to the Audit Committee, with or without the presence of the administration.

The consolidated financial statements for the year ended April 30, 2012 have been reported on by the Provincial Auditor of the Province of Saskatchewan, the external auditor appointed under *The University of Saskatchewan Act, 1995.* The Auditor's Report outlines the scope of her examination and provides her opinion on fairness of presentation of the information in the financial statements.

Peter MacKinnon
President

Greg Fowler
Acting Vice-President (Finance and Resources)

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying consolidated financial statements of the University of Saskatchewan, which comprise the consolidated statement of financial position as at April 30, 2012, and the consolidated statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for Treasury Board's approval and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the University of Saskatchewan as at April 30, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Bonnie Lysyk

Regina, Saskatchewan
July 27, 2012

Bonnie Lysyk, MBA, CA
Provincial Auditor

1500 Chateau Tower - 1920 Broad Street Regina, Saskatchewan S4P 3V2
t 306.787.6398 f 306.787.6383 e info@auditor.sk.ca
www.auditor.sk.ca

UNIVERSITY OF SASKATCHEWAN

Statement 1

Consolidated Statement of Financial Position
As at April 30, 2012 ($ thousands)

	General	Restricted	Endowment	Total 2012	Restated (Note 28) Total 2011
Current Assets					
Cash (Note 5)	$ (91,230)	$ 95,919	$ (409)	$ 4,280	$ 3,993
Accounts receivable (Note 6)	31,131	143,832	-	174,963	171,263
Inventories (Note 7)	14,112	-	-	14,112	12,788
Prepaid expenses	4,084	110	-	4,194	3,356
	(41,903)	239,861	(409)	197,549	191,400
Long-Term Assets					
Long-term accounts receivable (Note 8)	70	29,170	-	29,240	37,386
Long-term investments (Note 5)	344,656	39,486	213,657	597,799	623,975
Other assets	9,668	1,600	702	11,970	13,019
Capital assets (Note 9)	-	1,356,016	-	1,356,016	1,202,759
	354,394	1,426,272	214,359	1,995,025	1,877,139
	$ 312,491	**$ 1,666,133**	**$ 213,950**	**$ 2,192,574**	**$ 2,068,539**
Current Liabilities					
Accounts payable and accrued liabilities	$ 66,719	$ 29,605	$ -	$ 96,324	$ 89,809
Deferred revenue (Note 10)	30,029	-	-	30,029	33,102
Loans (Note 11)	-	80,665	-	80,665	44,328
Risk management liabilities (Note 12)	5,566	21,293	-	26,859	7,214
Current portion - long-term debt (Note 13)	23	168	-	191	144
Current portion - employee future benefits (Note 14)	749	-	-	749	736
Current portion - capital lease obligation (Note 15)	77	-	-	77	75
	103,163	131,731	-	234,894	175,408
Long-Term Liabilities					
Long-term debt (Note 13)	88	1,473	-	1,561	1,791
Employee future benefits (Note 14)	158,102	-	-	158,102	52,705
Capital lease obligation (Note 15)	126	-	-	126	194
Accrued decommissioning costs (Note 16)	-	4,335	-	4,335	4,138
	158,316	5,808	-	164,124	58,828
Fund Balances					
Externally restricted funds (Note 18)	-	242,893	179,628	422,521	467,917
Internally restricted funds (Note 19)	57,344	37,619	34,322	129,285	206,505
Invested in capital assets	-	1,248,082	-	1,248,082	1,146,001
Unrestricted funds	(6,332)	-	-	(6,332)	13,880
	51,012	1,528,594	213,950	1,793,556	1,834,303
	$ 312,491	**$ 1,666,133**	**$ 213,950**	**$ 2,192,574**	**$ 2,068,539**

Commitments and Contingencies (Note 20)
See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN Statement 2

Consolidated Statement of Operations and Changes in Fund Balances
For the Year Ended April 30, 2012 ($ thousands)

	General	Restricted	Endowment	Total 2012	Restated (Note 28) Total 2011
Revenues					
Grants and contracts					
Government of Canada	$ 3,365	$ 83,224	$ -	$ 86,589	$ 94,791
Government of Saskatchewan	374,099	46,069	-	420,168	444,519
Other governments	19,864	4,564	-	24,428	28,938
Non-government	6,877	46,379	-	53,256	67,107
Student fees	111,309	-	-	111,309	102,994
Gifts, grants and bequests	6,778	17,741	7,543	32,062	31,674
Sales of services and products	94,098	386	-	94,484	90,248
Income from investments	15,506	7,471	(4,963)	18,014	42,691
Real estate income	4,300	126	-	4,426	4,299
Miscellaneous income	15,818	155	1	15,974	11,926
	652,014	206,115	2,581	860,710	919,187
Expenses					
Salaries	366,986	60,705	-	427,691	407,107
Employee benefits (Note 21)	156,090	5,242	-	161,332	71,584
Operational supplies and expenses	89,873	28,604	119	118,596	102,955
Travel	11,105	6,000	-	17,105	16,533
Cost of goods sold	19,552	12	-	19,564	20,030
Maintenance, rental and renovations	10,448	2,509	14	12,971	9,328
Utilities	21,286	42	2	21,330	21,562
Amortization	-	64,807	-	64,807	61,388
Scholarships, bursaries and awards	4,342	30,688	-	35,030	31,922
Interest	4,867	17,427	-	22,294	6,023
Bad debt expense	365	7	-	372	614
Decommissioning costs (Note 16)	-	365	-	365	355
	684,914	216,408	135	901,457	749,401
Net revenues (expenses)	(32,900)	(10,293)	2,446	(40,747)	169,786
Interfund transfers (Note 25)	(62,952)	57,023	5,929	-	-
Net increase (decrease) in fund balances for year	(95,852)	46,730	8,375	(40,747)	169,786
Fund balances, beginning of year - Restated (Note 28)	146,864	1,481,864	205,575	1,834,303	1,664,517
Fund balances, end of year	**$ 51,012**	**$ 1,528,594**	**$ 213,950**	**$ 1,793,556**	**$ 1,834,303**

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

Consolidated Statement of Cash Flows
For the Year Ended April 30, 2012 ($ thousands)

	General	Restricted	Endowment	Total 2012	Total 2011
Cash flows from operating activities					
Cash received from Government of Canada	$ 2,837	$ 83,088	$ -	$ 85,925	$ 88,675
Cash received from Government of Saskatchewan	388,651	39,165	-	427,816	404,994
Cash received from other governments	19,675	3,035	-	22,710	28,654
Cash received from non-government	6,528	41,711	-	48,239	61,303
Cash received from student fees	111,875	-	-	111,875	102,561
Cash received from gifts, grants and bequests	6,611	11,260	-	17,871	17,899
Cash received from sales of services and products	94,970	386	-	95,356	90,248
Cash received from miscellaneous income	14,433	285	-	14,718	10,787
Cash paid for salaries and benefits	(414,052)	(65,701)	-	(479,753)	(452,445)
Cash paid for non-salary expenditures	(155,183)	(70,812)	(135)	(226,130)	(203,629)
Cash generated from (used for) operating activities	76,345	42,417	(135)	118,627	149,047
Cash flow from financing and investment activities					
Cash received from income from investments	15,156	1,680	3,140	19,976	27,710
Distribution of income from investments	1,919	5,907	(7,826)	-	-
Contributions of cash for endowments	-	-	6,779	6,779	4,391
Cash received from real estate income	4,300	126	-	4,426	4,299
Cash received from debt financing	-	44,700	-	44,700	10,889
Debt financing repayments	(65)	(8,545)	-	(8,610)	(2,244)
Purchase of capital assets	-	(207,717)	-	(207,717)	(237,990)
Sale (Purchase) of investments	(602)	34,221	(11,513)	22,106	24,555
Cash used for financing activities	20,708	(129,628)	(9,420)	(118,340)	(168,390)
Net increase (decrease) in cash	97,053	(87,211)	(9,555)	287	(19,343)
Interfund transfers	(62,952)	57,023	5,929	-	-
Cash (bank indebtedness), beginning of year	(125,331)	126,107	3,217	3,993	23,336
Cash (bank indebtedness), end of year	**$ (91,230)**	**$ 95,919**	**$ (409)**	**$ 4,280**	**$ 3,993**

See accompanying notes and schedules to consolidated financial statements

For the Year Ended April 30, 2012
(THOUSANDS OF DOLLARS)

1. Authority and Purpose

"The University of Saskatchewan" (university) is a corporation operating under the authority of *The University of Saskatchewan Act, 1995*, Chapter U-6.1 of the Statutes of Saskatchewan. The primary role of the university is to provide post-secondary instruction and research in the humanities, sciences, social sciences, and other areas of human, intellectual, cultural, social and physical development. The university is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the *Income Tax Act*.

2. Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Part V). The following accounting policies and reporting practices are considered significant:

a) Basis of consolidation

The consolidated financial statements include the accounts of the following entities:

- Agricoll Research Investments Inc., a wholly owned subsidiary of the university. Through Agricoll, the University of Saskatchewan promotes and participates in research, education and technology transfer related to the agriculture industry.
- Agrivita Canada Inc., a not-for-profit corporation incorporated under the *Canada Corporations Act* whose sole member is the University of Saskatchewan. The company promotes, targets, and funds research, training, and service initiatives in various disciplines for purposes related to agricultural health and safety for industry and farm workers, rural residents and families, and the impact of agricultural activities on the general public.
- Canadian Light Source Inc. (CLSI), a not-for-profit corporation whose sole member is the University of Saskatchewan. The company's mandate is to advance Canadian scientific and industrial capabilities in synchrotron science and technical applications. The company is responsible for the operation and conduct of all activities related to the university's synchrotron light facility, its operation and performance.
- Prairie Swine Centre Inc., a not-for-profit corporation whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada.
- 621602 Saskatchewan Ltd., a wholly owned subsidiary of the university. The company participates in real estate investment activities.
- University of Saskatchewan Crown Foundation, a not-for-profit entity incorporated under *The Crown Foundation Act* of Saskatchewan. The Foundation was created for the purpose of receiving gifts of real and personal property and to provide transfers of property to the University of Saskatchewan.
- 7541457 Canada Inc., a wholly owned subsidiary of the university incorporated under the *Canada Corporations Act* for the commercialization of technology developed by researchers in the University of Saskatchewan Toxicology Centre.
- The Journal of History Company Ltd., a wholly owned subsidiary of the university, prints and publishes The Canadian Journal of History.
- The Canadian Centre for Nuclear Innovation (CCNI), a not-for-profit corporation incorporated under the Canada *Not-for-profit Corporations Act* whose sole member is the University of Saskatchewan. The mandate of the company is to place Saskatchewan among global leaders in nuclear research, development and training through investment in partnerships with academia and industry, for maximum societal and economic benefit.

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Fund accounting

The university follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The university has classified accounts with similar characteristics into major funds as follows:

i) The General Fund is unrestricted and accounts for the university's program delivery, service and administrative activities. This fund is further classified as Operating and Ancillary.

The Operating Fund accounts for the university's function of instruction, including academic support services, administrative services, plant maintenance and other operating activities.

The Ancillary Fund provides goods and services to the university community, which are supplementary to the functions of instruction, research and service and are expected to operate on at least a break-even basis.

ii) The Restricted Fund carries restrictions on the use of resources for particular defined purposes. This fund is further classified as Capital, Research and Student Financial Aid.

The Capital Fund accounts for the acquisition of capital assets, major renovations and improvements to capital assets.

The Research Fund accounts for activities in support of research.

The Student Financial Aid Fund accounts for activities in support of students.

iii) The Endowment Fund accounts for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these funds that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation. The amount recapitalized each year will vary from year to year with variability in annual investment returns, but over time it is intended that the recapitalized amount will offset the cumulative effect of inflation.

c) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted grants subject to an external annual appropriation process will be recognized in accordance with the funder's appropriation period.

Contracts are recorded as revenue as the service or contract activity is performed, provided that at the time of performance ultimate collection is reasonably assured. If payment is not received at the time the service or contract activity is performed, accounts receivable will be recorded.

Student fees are recognized as revenue in the year courses and seminars are held. Sales of services and products are recognized at time of sale or when the service has been provided.

Unrestricted contributions are recorded as revenue in the period received or receivable, if collection is reasonably assured. Gifts-in-kind are recorded at their fair market value on the date of receipt or at nominal value when fair market value cannot be reasonably determined. Pledges from fund raising and other donations are not recorded until the year of receipt of cash or other assets due to the uncertainty surrounding collection.

Contributions for endowment purposes are recognized as revenue in the Endowment Fund.

Sales of services and products are recorded as revenue in the General Fund at time of sale or when the service has been provided.

Investment returns are recorded as revenue when reasonable assurance exists regarding measurement and collectability. Unrestricted investment income is recognized as revenue of the General Fund. Investment income earned on Endowment Fund resources is recorded in the appropriate Fund according to the restrictions mandated.

Real estate and miscellaneous income, as follows, is recorded as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured:

- Unrestricted income is recorded in the General Fund.
- Restricted income is recognized as revenue of the appropriate restricted fund.

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

d) Contributed services and materials

These financial statements do not report the value of contributed volunteer hours as the fair value of such is not practically determinable. Gifts-in-kind are recorded where a formal valuation is available.

e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include: the allowance for doubtful accounts, the estimated useful lives of assets, the accruals for salaries and benefits, and certain actuarial and economic assumptions used in determining defined benefit pension costs, accrued pension benefit obligations, plan assets, real estate values, decommissioning costs and provision for claims payable.

f) Capital assets

Purchased and constructed capital assets are recorded at cost. Capital assets which are constructed by the university are recorded as Construction in Progress until the capital asset is put into use. The university reports donated capital assets at fair market value upon receipt. With the exception of library collections, collections are not capitalized or amortized. All additions to collections are expensed in the year acquired. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Amortization expense is reported in the Capital Fund. Capital assets, other than land, are amortized using the straight-line method over their estimated useful lives as shown below. Amortization is not provided on projects in progress until the assets are in use. Asset retirement obligations and associated asset retirement costs are discussed in i) Decommissioning obligation, below.

Buildings	40 years
Canadian Light Source Inc. (CLSI) facility retirement costs	30 years
Site improvements	20 years
Computers	3 years
Equipment and furnishings	3 to 10 years
Library materials	10 years

g) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the average cost method, with the exception of livestock, poultry and other farm products which are stated at market value. Market is defined as market quotations for livestock and replacement cost for other farm products.

h) Employee future benefits

The cost of defined benefit pensions earned by employees is actuarially determined using the projected benefit method prorated on services and management's best estimate of expected investment performance, salary escalation and retirement ages of employees, when future salary levels or cost escalation affect the amount of the benefit. The accumulated benefit method is used when future salary levels and cost escalation do not affect the amount of the employee future benefits. For purposes of calculating the expected return on plan assets, those assets are recorded at fair value. Actuarial gains and losses are recognized in the year they arise.

The university accrues its obligations for employee future benefits for eligible employees – see Note 14. These benefits include long-term disability payments, post-retirement life insurance or spending accounts, retirement recognition benefit and benefit continuation for disabled employees.

The cost of non-pension post-retirement and post-employment benefits relating to long-term disability and other employee future benefits is actuarially determined using the projected benefit method prorated on service and management's best estimates for the discount rate for liabilities, the expected rate of return on assets, retirement ages and expected future cost trends.

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

i) Decommissioning obligation

CLSI recognizes obligations for future decommissioning site restoration costs in the period during which they occur. The associated facility retirement costs are capitalized as a part of the carrying amount of the asset and amortized over its useful life. The liability and related asset are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

j) Financial instruments

The university's financial instruments are classified and measured as follows:

Assets/Liabilities	Classification	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized Cost
Investments, short-term and long-term	Held for trading	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized Cost
Employee benefit liabilities	Other liabilities	Amortized Cost
Loans	Other liabilities	Amortized Cost
Natural gas and Interest rate swaps	Held for trading	Fair value
Long-term debt, including current portion	Other liabilities	Amortized Cost

As allowed under Section 3855.07A *Financial Instruments — Recognition and Measurement*, the university, as a not-for-profit organization, has chosen to not apply this Section to the following areas, defined by the Handbook:

- derivatives embedded in leases;
- derivatives embedded in insurance contracts;
- contracts and obligations for stock-based payments in which the entity receives or acquires goods or services to which Section 3855 otherwise applies;
- contracts to buy or sell a non-financial item including derivatives embedded therein; or
- derivatives embedded in contracts to buy or sell a non-financial item in accordance with the university's expected purchase, sale or usage requirements.

As a not-for-profit organization, the university has chosen to continue applying CICA Handbook Section 3861 *Financial Instruments — Disclosure and Presentation*, in place of Section 3862 *Financial Instruments — Disclosure* and Section 3863 *Financial Instruments — Presentation*.

k) Derivative financial instruments

The university uses derivative financial instruments, principally interest rate swap agreements on specific loans and natural gas commodity swap agreements, in its management of exposure to fluctuations in interest rates and natural gas rates. Derivative financial instruments are adjusted to fair value on a monthly basis with the change in fair value recorded in the statement of operations. See Note 12 below.

l) Valuation of real estate assets held for resale

The university follows the industry established and accepted methods for real estate valuation. Upon acquisition, and every three to five years thereafter (depending on market conditions), an external appraisal establishes the fair value of the real estate asset for financial statement purposes. For years where an appraisal is not performed the university assesses the fair value of real estate assets using cash flow analysis and current real estate market conditions. In some cases, where there is an alternative use, other methods such as the direct sales comparison approach could be used as part of the annual assessment.

3. **Disclosure of Other Significant Relationships**

Prairie Diagnostic Services is a not-for-profit corporation owned by the Province of Saskatchewan and the University of Saskatchewan. The laboratory operating in Saskatoon provides veterinary diagnostic services and animal health care and supports the training of undergraduate and graduate veterinarians at the Western College of Veterinary Medicine.

The Saskatchewan Food Industry Development Centre Inc. is a not-for-profit organization owned by the Province of Saskatchewan, the Saskatchewan Food Processors Association and the University of Saskatchewan. It is a federally inspected food manufacturing facility that aids in the development of value-added processing in Saskatchewan.

The University of Saskatchewan is the host institution for PREVENT (Pan-Provincial Vaccine Enterprise), a not-for-profit organization formed to promote the commercialization of Canada's vaccine industry. PREVENT's founding institutions are the University of Saskatchewan, the B.C. Centre for Disease Control (BCCDC) and the Canadian Centre for Vaccinology.

All transactions with the above organizations are accounted for at cost in university financial statements.

4. **Future Changes in Accounting Policies**

Financial Reporting Standards for Not-for-Profit Organizations

Part V of the CICA (Canadian Institute of Chartered Accountants) Handbook – Accounting remains available to NPOs (not-for-profit organizations) and GNPOs (government not-for-profit organizations) for year-ends beginning before January 1, 2012.

For the first fiscal year beginning on or after Jan 1, 2012 (this will be May 1, 2012 for the university) Part III – Accounting Standards for Not-for-Profit Organizations of the Handbook will be adopted, with Accounting Standards for Private Enterprises as the underlying accounting framework.

Based on current accounting standards within Part III of the Handbook the financial impact to the university of adoption is not expected to be material.

5. **Cash and Investments**

Short-term investments are invested in high-quality Canadian money market instruments.

The long-term investment portfolio includes endowment assets as well as the portion of non-endowment assets that will not be required for spending in the next fiscal year.

The primary objective of the university's investment policy is to ensure the safety of principal, maintain sufficient liquidity for operating purposes and maximize earnings for the Funds, at an acceptable risk level.

	2012	2011
Cash	$ 4,280	$ 3,993
Fixed income	391,460	419,860
Canadian equities	64,551	68,266
Foreign equities	123,840	126,847
Real estate	17,948	9,002
	602,079	627,968
Less amounts reported as:		
Cash	4,280	3,993
	$ 597,799	**$ 623,975**

6. Accounts Receivable

Accounts Receivable are comprised of the following:

	2012	2011
General	$ 15,227	$ 12,315
Investment income	2,214	3,320
Grants and contracts related to general funds	3,253	22,275
Grants and contracts related to student financial aid	2,106	902
Grants and contracts related to research	128,319	111,297
Grants and contracts related to capital	10,225	7,497
Other restricted	3,091	2,673
Other unrestricted	6,494	8,254
Student fees	5,956	4,675
Student loans	71	32
Allowance for doubtful accounts	(1,993)	(1,977)
	$ 174,963	**$ 171,263**

7. Inventory

	2012			2011		
	Beginning of Year	**Net Change**	**End of Year**	**Beginning of Year**	**Net Change**	**End of Year**
College of Agriculture and Bioresources	$ 1,008	$ 544	$ 1,552	$ 1,485	$ (477)	$ 1,008
College of Dentistry	267	(32)	235	349	(82)	267
Western College of Veterinary Medicine	640	65	705	691	(51)	640
Other Units						
Consumer Services	4,618	260	4,878	5,011	(393)	4,618
Facilities Management Division	2,374	384	2,758	2,588	(214)	2,374
Vaccine and Infectious Disease Organization (VIDO)	117	21	138	147	(30)	117
Other	420	(147)	273	391	29	420
Subsidiaries						
CLSI	3,082	114	3,196	2,951	131	3,082
Prairie Swine	262	115	377	220	42	262
	$ 12,788	**$ 1,324**	**$ 14,112**	**$ 13,833**	**$ (1,045)**	**$ 12,788**

8. Long-Term Accounts Receivable

Long-term accounts receivable reflect the fair value of non-government grants receivable in subsequent years, as follows:

	2012	2011
2013	$ -	$ 18,172
2014	18,497	12,675
2015	8,245	5,755
2016	2,128	451
2017	261	205
2018	89	108
2019	10	10
2020	10	10
	$ 29,240	**$ 37,386**

9. Capital Assets

	2012			2011
	Cost	**Accumulated Amortization**	**Net Book Value**	**Net Book Value**
Buildings	$ 1,161,665	$ 343,333	$ 818,332	$ 748,118
CLSI facility retirement costs	3,155	710	2,445	2,556
Site improvements	96,830	36,701	60,129	51,121
Computers	109,612	97,808	11,804	10,647
Equipment and furnishings	318,593	232,831	85,762	76,449
Land	5,873	-	5,873	2,538
Construction in progress	335,618	-	335,618	275,069
Library materials	176,234	140,596	35,638	35,987
	2,207,580	851,979	1,355,601	1,202,485
Assets acquired under capital lease obligation				
Equipment and furnishings	728	313	415	274
	$ 2,208,308	**$ 852,292**	**$ 1,356,016**	**$ 1,202,759**

10. Deferred Revenue

		2012		2011
Student fees	$	6,177	$	4,063
Unearned revenue-Ancillary operations		553		387
Unearned revenue-Clinical services		3,225		9,738
Deferred contributions		20,074		18,914
	$	**30,029**	**$**	**33,102**

Student fees relate to fees received prior to April 30 for courses and programs offered after that date.

Unearned revenue-Ancillary operations relates to fees received prior to April 30 for student residences, parking, food services, hospitality services and the bookstore for services after that date.

Unearned revenue-Clinical services relates to unspent externally restricted funding received prior to April 30 for services provided subsequent to that date.

Deferred contributions represent unspent externally restricted funding for programs and projects, relating to the university's primary role of post-secondary instruction, that do not directly pertain to one of the defined restricted funds.

11. Loans

			2012		2011
Stadium Parkade	(a)	$	11,419	$	11,782
Annual Sustaining Capital Borrowing	(b)		29,441		26,701
College Quarter Undergraduate Residence	(c)		19,805		5,845
College Quarter Student Residence Construction Loans	(d)		20,000		-
		$	**80,665**	**$**	**44,328**

The university holds a 365-day credit facility utilizing monthly revolving Banker's Acceptance Loans (BAC) with the Royal Bank. The term credit facility allows the university to obtain a favorable rate. The interest rate risk for each Banker's Acceptance Loan is managed through an interest rate swap agreement (for interest rate swaps see Note 12). Details are as follows:

(a) Royal Bank Banker's Acceptance Loan - Canadian Banker's Acceptance Canadian Deposit Offering Rate (CDOR) + spread of 0.30%, revolves monthly at progressively smaller amounts based on 25-year amortization until September 2029; repayable in full August 2012.

(b) Royal Bank Banker's Acceptance Loans - CDOR + spread of 0.30%, revolving monthly at progressively smaller amounts based on 15-year amortization, with end dates between January 2020 to November 2026; repayable in full between July and August 2012. Debt outstanding reflects the obligation incurred as a result of annual borrowing (since 2004/05) to fund on-going capital requirements, net of principal payments to date.

(c) Royal Bank Banker's Acceptance Loans - CDOR + spread of 0.30%, revolving monthly at progressively smaller amounts based on 25-year amortization until October 2036; repayable in full July 2013.

(d) Royal Bank Non-revolving Construction Loans:

i) Non-revolving $25,000 term facility at CDOR plus 0.40% repayable in full August 2012 (for the undergraduate residences).

ii) Non-revolving $31,500 term facility at CDOR plus 0.40% repayable in full January 2013 (for the graduate residences).

11. **Loans (continued)**

The Ministry of Advanced Education, Employment and Immigration has authorized the university to initiate a request for proposal to borrow up to $95 million to fund the continued construction of the Academic Health Sciences Centre and other sustaining capital and critical infrastructure projects. At April 30, 2012 credit facilities for this borrowing had not yet been negotiated and had yet to go through university board approval and legislative Order in Council processes.

The university maintains a $15 million revolving demand facility with the Royal Bank of Canada to manage general operating requirements. Borrowings are at RBC Prime minus 0.5%. As of April 30, 2012, there was no borrowing outstanding under the facility.

12. **Risk Management Liabilities**

		2012	2011
Natural gas commodity swap agreements	(a)	$ 5,566	$ 723
Interest rate swap agreements	(b)	21,293	6,491
		$ 26,859	**$ 7,214**

To manage the risk of fluctuating natural gas prices the university has entered into the following natural gas commodity swap agreements with the Royal Bank of Canada:

(a) **Natural Gas Commodity Swap Agreements**		2012	2011
November 15, 2010 agreement	(i)	$ 4,030	$ 554
December 16, 2010 agreement	(ii)	1,418	169
January 17, 2012 agreement	(iii)	118	-
		$ 5,566	**$ 723**

i. A natural gas commodity swap agreement entered into November 15, 2010 which fixes the natural gas rates on a notional quantity of 1,200 GigaJoules (GJ) of natural gas per day between November 1, 2012 and October 31, 2015 and 650 GJ of natural gas per day between November 1, 2015 and October 31, 2020 at rates from $4.58/GJ to $6.54/GJ.

ii. A natural gas commodity swap agreement entered into December 16, 2010 which fixes the natural gas rates on a notional quantity of 650 GJ of natural gas per day between November 1, 2015 and October 31, 2019 at rates from $5.23/GJ to $6.27/GJ.

iii. A natural gas commodity swap agreement entered into January 17, 2012 which fixes the natural gas rates on a notional quantity of 725 GJ of natural gas per day between November 1, 2015 and October 31, 2016 at a rate of $4.25/GJ.

To manage the interest rate exposure associated with loans (see Note 11) the university has entered into the following interest rate swap agreements with the Royal Bank of Canada:

(b) **Interest Rate Swap Agreements**		2012	2011
Stadium Parkade	(iv)	$ 3,170	$ 2,206
Annual Capital Borrowing	(v)	3,071	1,984
College Quarter Undergraduate Residence	(vi)	4,180	1,356
College Quarter Student Residence Construction Draws	(vii)	10,872	945
		$ 21,293	**$ 6,491**

12. Risk Management Liabilities (continued)

The fair value for the interest rate swaps is determined by mark-to-market valuations provided by the Royal Bank of Canada:

iv) Interest is at 5.786%; agreement terminates September 2029.

v) Interest rates vary from 2.77% to 5.3%; agreements terminate between January 2020 and November 2026.

vi) Interest rate of 4.63%; agreement terminates in October 2036.

vii) Interest rates of 4.57% and 4.37%; agreements terminate in September 2037 and January 2043.

13. Long-term Debt

	2012	2011
Canada Mortgage and Housing Corp. (CMHC) - 6.875% debentures due May 1 and September 1, 2020. These loans are repayable in equal semi-annual installments of $123 blended principal and interest and recovered in their entirety from revenues of the Ancillary Fund.	$ 1,522	$ 1,656
Loan payable to the Government of Saskatchewan - General Revenue Fund - 5.125%, due December 1, 2015. These loans are repayable in equal semi-annual installments of $17 blended principal and interest.	119	146
Loan payable to Farm Credit Canada with interest at FCC personal property variable rate less .75%, payable in blended monthly principal repayments of $2, secured by a general security agreement, due July 2016.	111	133
	1,752	1,935
Less: Current Portion	(191)	(144)
	$ 1,561	**$ 1,791**

Principal payments due in each of the next five years is as follows (in thousands of dollars):

2013	$ 191
2014	199
2015	199
2016	212
2017	226

14. Employee Future Benefits

The university sponsors both defined benefit and defined contribution pension plans. The university and employees contribute in equal amounts to the defined contribution plans. The defined benefit plans are funded by employee contributions as a percentage of salary and by the university to support the actuarial-based pension benefits. The defined pension benefits are based on years of pensionable service and an average of the highest 4 years of employees' pensionable earnings.

The total expense for the university's defined contribution plans for the year is $17,868 (2011 - $16,225).

The long-term disability plan is a self-insured program providing benefits for academic, administrative, research and other designated employees who have not attained the normal retirement age.

Other post retirement benefits include post-retirement life insurance or spending accounts, retirement recognition benefit and benefit continuation for disabled employees.

14. Employee Future Benefits (continued)

The post-retirement life insurance or spending account liability accrues the university's obligation to pay life insurance premiums between the date of early retirement and the normal retirement date or provide a health spending account for the first two years after retirement for eligible early retirees.

The retirement recognition benefit recognizes the actuarially determined valuation for vacation pay or pay-in-lieu earned by eligible long-service employees.

The benefit continuation for disabled employees liability accrues the university's obligation to provide health care and dental coverage to eligible long-term disability claimants.

The measurement date of plan assets and the actuarial valuation of the accrued benefit obligations for the defined benefit pension plans and the long-term disability plan is December 31, 2011 (extrapolated to April 30, 2012). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post-retirement benefits is April 30, 2012.

a) Funded status of plans

	2012				2011
	Defined Pension Plans	**Long-Term Disability Plan**	**Other Post Retirement Benefits**	**Total**	**Total**
Plan assets					
Fair value at beginning of year	$ 416,949	$ 23,998	$ -	$ 440,947	$ 436,973
Actual return on plan assets	7,879	(317)	-	7,562	27,194
Employer contributions	9,180	-	736	9,916	10,341
Employee contributions	6,736	-	-	6,736	6,250
Benefits paid	(27,151)	(2,551)	(736)	(30,438)	(39,811)
Fair value at end of year	413,593	21,130	-	434,723	440,947
Accrued benefit obligations					
Accrued benefit obligation at beginning of year	467,323	20,399	9,394	497,116	475,045
Current service cost	14,965	2,724	615	18,304	17,358
Interest cost	25,173	939	495	26,607	26,376
Benefits paid	(27,151)	(2,551)	(736)	(30,438)	(39,811)
Actuarial (gains) losses	86,134	(2,580)	322	83,876	18,148
Plan amendments	-	-	(377)	(377)	-
Accrued benefit obligation at end of year	566,444	18,931	9,713	595,088	497,116
Accrued benefit asset (liability)					
Accrued benefits asset (liability)	(152,851)	2,199	(9,713)	(160,365)	(56,169)
Valuation allowance and unamortized past service costs	942	-	572	1,514	2,728
Accrued benefit asset (liability), net of valuation allowance	**$ (151,909)**	**$ 2,199**	**$ (9,141)**	**$ (158,851)**	**$ (53,441)**

14. Employee Future Benefits (continued)

b) Net benefit plan expense

	2012				2011
	Defined Pension Plans	Long-Term Disability Plan	Other Post Retirement Benefits	Total	Total
Current service cost, net of employee contributions	$ 8,229	$ 2,724	$ 615	$ 11,568	$ 11,108
Interest cost	25,173	939	495	26,607	26,376
Expected return on plan assets	(27,417)	(1,591)	-	(29,008)	(28,660)
Immediate recognition of remaining (gains) losses	105,672	(672)	322	105,322	19,614
Amortization of past service costs	416	-	421	837	877
Net benefit plan expense	**$ 112,073**	**$ 1,400**	**$ 1,853**	**$ 115,326**	**$ 29,315**

c) Actuarial assumptions (weighted average as of April 30)

	2012			2011		
	Defined Pension Plans	Long-Term Disability Plan	Other Post Retirement Benefits	Defined Pension Plans	Long-Term Disability Plan	Other Post Retirement Benefits
Discount rate	4.2%	3.6%	4.0%	5.4%	4.3%	5.3%
Expected long-term rate of return on plan assets	6.5%	7.0%	-	6.7%	7.0%	-
Compensation increase	3.4%	-	-	3.5%	-	-
Health care cost trend rate	-	-	5.0%	-	-	5.0%
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

d) Percentage of fair value of total plan assets held at measurement date by category

	2012			2011		
	Pension Plans	Long-Term Disability Plan	Other Post Retirement Benefits	Pension Plans	Long-Term Disability Plan	Other Post Retirement Benefits
Fixed Income	42.0%	15.0%	-	39.6%	14.0%	-
Equities	57.5%	85.0%	-	59.8%	86.0%	-
Other	0.5%	-	-	0.6%	-	-
Total	**100.0%**	**100.0%**	-	**100.0%**	**100.0%**	-

15. Capital Lease Obligation

The university has entered into leases with GE Capital Fleet Services for 14 vehicles that are used to support maintenance and operating activities. The lease contracts cover various periods of time, with expiry dates between 2013 and 2015.

These agreements are recognized in the financial statements of the university as an asset acquired under a capital lease and as a capital lease obligation. The minimum future lease payments are as follows:

Year Ending April 30	2012	2011
2012	$ -	$ 75
2013	77	74
2014	71	68
2015	66	61
2016	16	15
Total mimimum lease payments	230	293
Less: amount representing interest at 4.17% per annum	(27)	(24)
Present value of net minimum capital lease payments	203	269
Less: current portion of capital lease obligation	(77)	(75)
Long-term portion of capital lease obligation	**$ 126**	**$ 194**

16. Decommissioning Costs

The university is required to decommission the CLSI facility when operations cease in accordance with a Particle Accelerator Operating License issued by the Canadian Nuclear Safety Commission (CNSC). The licensing agreement requires a letter of guarantee, in favor of CNSC, equivalent to estimated decommissioning costs. At April 30, 2012 the university provided a guarantee of $7.5 million through a non-revolving demand facility with the Royal Bank of Canada.

The university, through CLSI, accrues the liability for future decommissioning site restoration costs. The university expects the facility to operate for a 30-year period from commencement of operations and anticipates the future cash flows required to decommission the facility to be $12,150.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk-free interest rate of 3.9% (previously calculated using a credit-adjusted risk-free interest rate of 5.0%). The current year decommissioning costs of $365 (2011 - $355) include amortization of deferred decommissioning costs of $111 (2011 - $111) and costs associated with a financial guarantee to the Canadian Nuclear Safety Commission of $57 (2011 - $55). A reconciliation of the accrued decommissioning costs is as follows:

	2012	2011
Accrued decommissioning costs, beginning of year	$ 4,138	$ 3,949
Accretion expense	197	189
Accrued decommissioning costs, end of year	**$ 4,335**	**$ 4,138**

17. Capital Disclosures

The university's objectives when managing its capital are to strengthen its financial position and promote responsible stewardship through the effective management of liquidity and capital structure. To effectively achieve our objectives, the university continues to expand and improve its rigorous planning and budgeting processes and internal control procedures. These strategies ensure the university has appropriate liquidity to meet its operational activities and the growth strategies outlined in the university's Second Integrated Plan.

The university funds its resource requirements through external funding, internally generated funds, loans and debt. All sources of financing are analyzed by management and approved by the university's Board of Governors. The university receives a significant portion of its revenue from the Government of Saskatchewan and is required by the *University's Act* to receive prior approval from the Minister of Advanced Education, Employment and Immigration for any borrowing, purchase or sale of land or buildings or any liability or expenditure that may impair the financial status of the university.

18. Externally Restricted Fund Balances

Externally restricted net assets represent unexpended fund balances carried forward for subsequent year's expenditures where stipulations have been imposed by an agreement with an external party specifying the purpose for which resources are to be used.

	2012	2011
Restricted Fund		
Capital Fund	$ (17,519)	$ 53,447
Student Financial Aid Fund	31,286	27,004
Research Fund	229,126	217,562
Endowment Fund		
Endowed Contributions	135,616	127,641
Capitalized endowment earnings	44,012	42,263
	$ 422,521	**$ 467,917**

19. Internally Restricted Fund Balances

Internally restricted net assets represent amounts set aside by the university's Board of Governors for specific purposes. These amounts are not available for other purposes without the approval of the board. At April 30, net assets have been set aside for the following purposes:

	2012	2011
General Fund **	$ 57,343	$ 132,984
Restricted Fund		
Student Financial Aid Fund	5,122	4,989
Research Fund	32,498	32,861
Endowment Fund		
Endowed Contributions	32,708	32,989
Capitalized endowment earnings	1,614	2,682
	$ 129,285	**$ 206,505**

** Includes faculty and department carry-forwards and specific purpose reserves

20. Commitments and Contingencies

a) Capital projects

With commitments relating to the Academic Health Sciences Building, the estimated cost of contractual commitments to complete major capital projects in progress as at April 30, 2012 is approximately $59,410 (2011 - $102,805).

b) Lease commitments

The university has operating lease commitments for equipment and capital assets. The minimum future commitments under these contractual arrangements for the next five years are as follows:

2013	$	1,415
2014		1,382
2015		1,381
2016		1,381
2017		1,381

c) Loan guarantee

The university has provided a loan guarantee of up to $22,000 related to the external financing obtained by the University of Saskatchewan Students' Union (USSU) for expansion and renovation of the Place Riel Student Centre. In accordance with Section 93 of *The University of Saskatchewan Act, 1995*, the university received approval from the Minister of Advanced Education, Employment and Immigration to provide the loan guarantee. This capital project was approved by the university's Board of Governors and has been completed with the official opening in August 2011.

The USSU holds a five-year credit facility utilizing floating rate financing totalling $18,300 which expires in May 2014. At April 30, 2012, draws on the facility totalled $17,954 (2011 - $13,152). The floating interest rate risk is managed through interest rate swap agreements with notional amounts of $11,890 terminating June 2040 and $6,276 terminating January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust, Toronto at April 30, 2012 was $4,486 (2011 - $1,709).

The USSU's loan repayments are being funded by a student infrastructure fee. In the event of default by the USSU, the university can directly collect this fee from students.

d) Utility purchases

To manage the price of natural gas, the university has entered into long-term contracts and natural gas commodity swap agreements (see Note 12) that expire at varying dates until October 2020, in accordance with the university's Derivatives Policy Guidelines, as follows:

Year	Gas Year	Target Range % Booked per Derivatives Policy	Approximate Consumption Needs Booked * %	Weighted Average Price/GJ
0	Nov 11 / Oct 12	75 - 100	100	7.14
1	Nov 12 / Oct 13	75 - 100	100	6.11
2	Nov 13 / Oct 14	50 - 100	100 **	6.29
3	Nov 14 / Oct 15	50 - 75	72	6.25
4	Nov 15 / Oct 16	50 - 75	75	4.92
5	Nov 16 / Oct 17	25 - 50	48	5.65
6	Nov 17 / Oct 18	0 - 50	48	5.89
7	Nov 18 / Oct 19	0 - 50	48	6.29
8	Nov 19 / Oct 20	0 - 50	24	6.54

* Note - percentage booked is approximate - consumption needs require confirmation, particularly in years further out.

** In order to take advantage of historically low natural gas prices, the university engaged in a series of forward contracts, one of which resulted in consumption booked which exceeded the normal parameters suggested in the guidelines. This decision was approved by senior administration and reported to the Board.

In total, the commitment for natural gas purchases at April 30, 2012 is $33,820 (2011 - $39,539).

20. Commitments and Contingencies (continued)

e) Outstanding legal claims

The nature of the university's activities are such that there may be litigation pending or in progress at any time. With respect to claims at April 30, 2012, the university believes it has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, the settlements of such claims are not expected to have a material effect on the university's financial position, with the exception of the item noted below.

On June 26, 2007 a statement of claim was issued against the University of Saskatchewan alleging responsibility for environmental contamination of adjoining land. The university has filed a statement of defense, denying all claims. The outcome is not determinable at this time. However, should ultimate resolution differ from management's assessments and assumptions, a material adjustment to the university's financial position or results of operations could result.

f) Canadian Universities Reciprocal Insurance Exchange

The university is a member (of a group of 58 members) of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability and errors and omissions risk of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through the members' premiums. As at December 31, 2011 CURIE had an accumulated surplus of $48,585 (2010 - $43,287) of which the university's pro-rata share is approximately 3.92% (2010 - 3.91%).

g) Other

The university has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the university may be required to take appropriate remediation procedures to remove the asbestos. As the university has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

21. Employee Benefits

	2012	2011
Pension expense - defined benefit (Note 14)	$ 112,073	$ 25,471
Pension expense - defined contribution (Note 14)	17,868	16,225
Employee future benefits (Note 14)	3,253	3,844
All other employee benefits	28,138	26,044
	$ 161,332	**$ 71,584**

22. Gifts-in-kind and Donation Pledges

Gifts-in-kind in the amount of $7,655 were recorded in the year (2011 - $11,193). Gifts-in-kind consist of the following:

	2012	2011
Works of art	$ 397	$ 100
Equipment and furnishings	2	6
Investments	2,273	8,051
Library holdings	89	140
Research project contributions	4,530	2,139
Other	364	757
	$ 7,655	**$ 11,193**

Donations pledged but not received as at April 30, 2012 totaled $31,466 (2011 - $28,242). These pledges are expected to be honoured during the subsequent five-year period and will be recorded as revenue when received.

23. Collections

a) Collections of Artifacts, Archival Material and Rare Books

The university has acquired collections of artifacts, archival materials and rare books. These items have been accumulated largely as adjuncts to the university's research and teaching missions. Acquisitions are donated as well as purchased. The university rarely disposes of items from these collections.

The significant collections include the personal artifacts, papers, and library of the late John G. Diefenbaker, the official records of the university, papers of faculty and alumnae, originals and replicas of ancient and medieval artifacts, as well as old and rare material with a focus on western Canada.

b) Art Collection

The Kenderdine Art Gallery administers the permanent art collection of the university. The collection includes works of art that provide an historic or artistic context for objects that are already in the collection as well as works that are of historic interest to the university or the Province of Saskatchewan. Proceeds from the sale of objects are used for the purchase of new acquisitions or the direct care of the collection.

24. Operating Fund Allocations

A comparison of the university's Operating Budget Allocations, as approved by the university's Board of Governors, to actual expenses (net of other recoveries and revenues):

	2012[a]		2011[a]	
	Budget [b]	Expenses [c]	Budget [b]	Expenses [c]
Agriculture and Bioresources	$ 12,956	$ 12,716	$ 12,249	$ 12,133
Arts and Science	58,889	57,871	53,650	54,360
Edwards School of Business	14,249	13,890	13,102	11,899
Dentistry	5,782	6,740	5,641	5,718
Education	9,121	8,810	8,692	8,168
Engineering	15,330	15,195	14,611	14,132
Centre for Continuing and Distance Education	4,537	4,627	3,811	3,931
Graduate Studies and Research	1,905	1,083	1,600	1,105
Kinesiology, including Huskie Athletics	5,246	5,048	5,037	4,821
Law	5,591	5,564	4,838	4,862
Medicine	45,596	40,790	40,720	36,801
Targeted Funding - Medicine Accreditation	18,910	17,117	18,361	16,194
Nursing	14,288	13,343	11,489	10,815
Pharmacy and Nutrition	5,156	5,731	4,823	5,226
Veterinary Medicine	25,961	26,914	24,783	22,950
Academic Support Units [d]	5,386	3,978	6,299	6,975
Schools	4,419	3,613	3,900	3,723
Library	11,696	11,590	11,018	10,620

Chart continued on page 42.

Chart continued from page 41.

24. Operating Fund Allocations (continued)

	2012[a]			2011[a]		
	Budget [b]	Expenses [c]		Budget [b]	Expenses [c]	
Non-instructional units:						
Information Technology	10,501	10,575		10,031	10,468	
Student and Enrolment Services	11,613	11,969		10,636	8,829	
Facilities Management	22,378	22,390		21,403	21,170	
Consumer Services	503	986		452	773	
Campus Safety	2,516	2,457		2,236	2,120	
University Advancement	9,557	8,721		8,025	8,462	
Administrative Units [e]	27,911	25,749		24,717	23,925	
Central Utilities	15,291	14,662		14,794	14,683	
Central Scholarships/Bursaries	9,582	9,582		9,544	9,577	
Central Research and Scholarly	16,563	14,085		16,513	14,056	
Central Student Support	1,579	2,809		1,518	804	
Central Network, Software and System Renewal	6,553	5,966		5,719	6,443	
Central Administration [f]	11,905	19,406		9,489	21,955	
Central Benefits [g]	8,546	9,138		7,466	7,317	
Total	**$ 420,016**	**$ 413,115**		**$ 387,167**	**$ 385,015**	

Notes:

(a) Budget allocations and expenses reflect the results of any organizational restructuring during the year.

(b) For some colleges/units, the budget allocation amount above varies from the "Allocation of Operating Revenue" amount reflected in Schedule 3. This difference is caused by classification adjustments.

(c) Expenses include planned spending of opening fund balances.

(d) Academic support units include the University Learning Centre, the Gwenna Moss Centre for Teaching Effectiveness, and Media Access & Production.

(e) Administrative support units include the Offices of the President, Provost and Vice-President Academic, Vice-President Finance & Resources, Vice-President Research, and the University Secretary, as well as Human Resources, Financial Services, various research support units, Institutional Planning and Assessment, and the Council of Health Science Deans.

(f) Includes salary accruals for all colleges/units related to collective agreements which will be settled in subsequent years. Using additional revenue generated in excess of budget, notably investment income, the university had additional resources to expend. These expenses were primarily board-approved allocations to capital and other projects.

(g) Includes accountable professional allowances and other benefits provided to employees under the terms of collective agreements.

25. Interfund Transfers

Fund accounting is a common practice in not-for-profit organizations whereby resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. Interfund transfers are used when resources residing within one fund are utilized to fund activities or assets that should, by their nature, be recorded in another fund.

	Operating	Ancillary	Financial Aid	Research	Capital	Endowment
Salary & Benefits	$ (1,487)	$ 16	$ 29	$ 1,442	$ -	$ -
Loan & interest payments	629	(15,491)	-	1	14,861	-
Capital acquisition funding	(52,082)	(4,437)	-	(17,269)	73,788	-
Donations	71	-	(64)	(5)	(2)	-
Scholarships, bursaries & awards	(12,346)	(5,000)	12,471	338	-	4,537
Fund transfers for Endowment	(1,246)	-	-	(57)	-	1,303
Funding for Research	28,033	-	(10)	(28,005)	-	(18)
Funding of General operating expenses	2,526	(1,924)	-	2	-	(604)
Recapitalized spending for underwater Endowment Funds	(214)	-	(367)	(128)	(2)	711
Other net transfers	2,103	(2,103)	-	-	-	-
April 30, 2012	**$ (34,013)**	**$ (28,939)**	**$ 12,059**	**$ (43,681)**	**$ 88,645**	**$ 5,929**
April 30, 2011	**$ (32,669)**	**$ (7,769)**	**$ 11,741**	**$ (73,664)**	**$ 99,298**	**$ 3,063**

26. Related Party Transactions

The university receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its members to the Board of Governors appointed by the government. To the extent that the Government of Saskatchewan exercises significant influence over the operations of the university, all Saskatchewan Crown agencies such as corporations, boards and commissions are considered related parties to the university.

Revenue received from the Government of Saskatchewan is disclosed separately in the Statement of Operations. Routine expenses with these related parties are recorded at the standard or agreed rates charged by these organizations.

Transactions during the year and the amounts outstanding at year-end are as follows:

	2012	2011
Sales of services and products - physicians' billings	$ 15,111	$ 17,875
Expenses		
Utilities	12,592	12,383
Other	23,233	23,145
Accounts receivable	22,792	36,127
Long-term investments	2,174	2,489
Accounts payable and accrued liabilities	4,450	4,513
Deferred revenue	12,023	19,869
Long-term debt	119	146

27. Financial Instruments

The university's financial instruments recorded in the consolidated financial statements consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, loans, capital lease obligations, other contractual liabilities and long-term debt.

a) Risk Management and Financial Instruments

i) Market risk

The university is exposed to market risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. Investments are placed in accordance with policies specifying the quality of investments so that diversification limits risk of exposure in any one type of investment instrument.

ii) Foreign currency risk

The university has foreign currency risk arising from its foreign currency denominated cash and investment accounts and exposure to foreign currency denominated revenues or expenses. Investments are placed in accordance with policies addressing investment in foreign currency to reduce the level of risk by diversifying the portfolio of investment classes.

iii) Interest rate risk

Interest rate swap agreements are utilized on the Royal Bank Banker's Acceptance Loans to reduce interest rate risk arising from fluctuations in interest rates and to manage the floating interest rates of these loans - see Note 12, above. The university is subject to interest rate risk as a result of market fluctuations in interest rates and the degree of volatility of these rates.

iv) Credit risk

The university has normal credit risk from counterparties. Since government agencies compose a significant portion of the receivable arising from the university's diverse client base, possibility of default is believed to be low.

v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The university minimizes its liquidity risk through careful management of Investment Pools to maintain sufficient liquidity for operating purposes.

b) Fair Value of Financial Instruments

The carrying values of all financial instruments approximate fair value with the exception of long-term debt, which as at April 30, 2012, has a carrying value of $1,752 (2011 - $1,934) and a fair value of $2,037 (2011 - $2,156).

28. Restatement

During the 2011/12 fiscal year the university increased its focus on improving internal controls over financial reporting, reviewing procedures and implementing new procedures in both colleges and administrative units. The review has resulted in changes to the expenditure classification of some of the electronic resources purchased by the Library, with the result that previous year's library acquisition expense has increased and the amount capitalized has decreased. Also during the year, as part of a governance project regarding management of employee benefit plans, an external consultant reviewed employee benefits defined in the university's collective agreements to assess the extent of post-retirement benefits and to review the accounting treatment. As a result of the review, additional expenditures have been recognized for future employee benefits. The financial impact of the increase in library acquisition expense and employee future benefit expense is as follows:

	Previous Total 2011	Effect on 2011	Restated Total 2011
Consolidated Statement of Financial Position			
Prepaid Expenses	$ 1,997	$ 1,359	$ 3,356
Capital Assets	1,213,384	(10,625)	1,202,759
Current portion of employee future benefits	384	352	736
Long-term liabilities - employee future benefits	48,878	3,827	52,705
Internally restricted funds	209,325	(2,820)	206,505
Invested in capital assets	1,156,626	(10,625)	1,146,001
Consolidated Statement of Operations and Expenses			
Employee benefits	71,339	245	71,584
Operational supplies and expenses	101,939	1,016	102,955
Amortization	63,702	(2,314)	61,388
Net increase in fund balances for year	168,733	1,053	169,786
Fund balances, beginning of year	1,679,015	(14,498)	1,664,517
Fund balances, end of year	1,847,748	(13,445)	1,834,303

29. Comparative Figures

Certain comparative figures have been reclassified in order to conform to the financial statement presentation adopted for the current year.

UNIVERSITY OF SASKATCHEWAN

Schedule 1 - Consolidated Statement of Operations and Changes in Fund Balances - General Funds
For the Year Ended April 30, 2012 ($ thousands)

	Operating	Ancillary	Total
Revenues			
Grants and contracts			
Government of Canada	$ 3,365	$ -	$ 3,365
Government of Saskatchewan	374,099	-	374,099
Other governments	19,864	-	19,864
Non-government	6,877	-	6,877
Student fees	111,309	-	111,309
Gifts, grants and bequests	6,778	-	6,778
Sales of services and products	51,935	42,163	94,098
Income from investments	15,479	27	15,506
Real estate income	724	3,576	4,300
Miscellaneous income	15,732	86	15,818
	606,162	45,852	652,014
Expenses			
Salaries	358,312	8,674	366,986
Employee benefits (Note 21)	154,710	1,380	156,090
Operational supplies and expenses	86,560	3,313	89,873
Travel	11,071	34	11,105
Cost of goods sold	9,208	10,344	19,552
Maintenance, rental and renovations	7,782	2,666	10,448
Utilities	11,681	9,605	21,286
Scholarships, bursaries and awards	4,342	-	4,342
Interest	4,867	-	4,867
Bad debt expense	306	59	365
	648,839	36,075	684,914
Net revenues (expenses)	(42,677)	9,777	(32,900)
Interfund transfers (Note 25)	(34,013)	(28,939)	(62,952)
Net increase in fund balances for year	(76,690)	(19,162)	(95,852)
Fund balances, beginning of year	148,745	(1,881)	146,864
Fund balances, end of year	**$ 72,055**	**$ (21,043)**	**$ 51,012**

See accompanying notes to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

Schedule 2 - Consolidated Statement of Operations and Changes in Fund Balances - Restricted Funds
For the Year Ended April 30, 2012 ($ thousands)

	Student Financial Aid	Research	Capital	Total
Revenues				
Grants and contracts				
Government of Canada	$ -	$ 75,662	$ 7,562	$ 83,224
Government of Saskatchewan	3,238	31,190	11,641	46,069
Other governments	50	2,504	2,010	4,564
Non-government	164	45,908	307	46,379
Gifts, grants and bequests	4,131	9,319	4,291	17,741
Sales of services and products	5	151	230	386
Income from investments	3,848	2,808	815	7,471
Real estate income	47	79	-	126
Miscellaneous income	12	141	2	155
	11,495	167,762	26,858	206,115
Expenses				
Salaries	1,011	59,690	4	60,705
Employee benefits (Note 21)	74	5,168	-	5,242
Operational supplies and expenses	177	26,669	1,758	28,604
Travel	98	5,902	-	6,000
Cost of goods sold	-	12	-	12
Maintenance, rental and renovations	1	2,479	29	2,509
Utilities	-	42	-	42
Amortization	-	-	64,807	64,807
Scholarships, bursaries and awards	17,774	12,914	-	30,688
Interest	-	-	17,427	17,427
Bad debt expense	4	3	-	7
Decommissioning costs (Note 16)	-	-	365	365
	19,139	112,879	84,390	216,408
Net revenues (expenses)	(7,644)	54,883	(57,532)	(10,293)
Interfund transfers (Note 25)	12,059	(43,681)	88,645	57,023
Net increase in fund balances for year	4,415	11,202	31,113	46,730
Fund balances, beginning of year - Restated (Note 28)	31,993	250,422	1,199,449	1,481,864
Fund balances, end of year	**$ 36,408**	**$ 261,624**	**$ 1,230,562**	**$ 1,528,594**

See accompanying notes to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

Schedule 3 - Consolidated Statement of Operations and Changes in Fund Balances by Academic and Instructional Unit
For the Year Ended April 30, 2012 ($ thousands)

	Agriculture and Bioresources	Arts and Science	Edwards School of Business	Dentistry	Education	Engineering	Centre for Continuing and Distance Education	Graduate Studies and Research
Revenues								
University operating budget	$ 12,956	$ 58,583	$ 14,249	$ 5,782	$ 9,121	$ 15,330	$ 4,537	$ 1,905
Grants and contracts								
Government of Canada	9,296	13,541	179	-	1,038	4,794	8	257
Government of Saskatchewan	10,732	2,793	-	138	585	792	7	1,169
Other governments	205	89	-	-	(17)	139	-	-
Non-government	15,115	3,659	13	37	850	2,651	-	97
Student fees	65	103	892	68	81	16	5,856	228
Gifts, grants and bequests	3,478	6,977	2,402	326	112	5,489	5	39
Sales of services and products	3,703	563	452	1,780	979	839	1,244	1
Income from investments	887	374	219	9	42	456	3	63
Real estate income	222	-	-	-	-	-	-	-
Miscellaneous income	2,607	94	93	2	17	215	24	-
	59,266	86,776	18,499	8,142	12,808	30,721	11,684	3,759
Expenses								
Salaries	25,320	58,364	11,308	5,242	9,036	19,220	7,841	1,027
Employee benefits (Note 21)	3,585	7,431	1,367	703	1,164	2,369	1,018	137
Operational supplies and expenses	6,752	5,538	2,241	916	1,633	2,180	2,063	75
Travel	1,176	2,790	405	70	449	964	722	60
Cost of goods sold	95	4	-	688	-	44	1	-
Maintenance, rental and renovations	2,260	263	84	121	77	57	51	1
Utilities	335	41	21	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Scholarships, bursaries and awards	2,904	8,928	734	538	718	2,172	8	930
Interest	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	13	-	-	-	-
Decommissioning costs (Note 16)	-	-	-	-	-	-	-	-
	42,427	83,359	16,160	8,291	13,077	27,006	11,704	2,230
Net revenues (expenses)	16,839	3,417	2,339	(149)	(269)	3,715	(20)	1,529
Interfund transfers (Note 25)	(5,429)	(1,029)	(952)	(106)	468	(2,357)	(330)	3,780
Net increase (decrease) in fund balances for year	**$ 11,410**	**$ 2,388**	**$ 1,387**	**$ (255)**	**$ 199**	**$ 1,358**	**$ (350)**	**$ 5,309**

See accompanying notes to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

Schedule 3 - Consolidated Statement of Operations and Changes in Fund Balances by Academic and Instructional Unit
For the Year Ended April 30, 2012 ($ thousands)

	Kinesiology	Law	Library	Medicine	Nursing	Pharmacy and Nutrition	Western College of Veterinary Medicine	Other Units	Total
Revenues									
University operating budget	$ 5,246	$ 5,591	$ 16,130	$ 60,772	$ 14,288	$ 5,156	$ 25,961	$ (255,607)	$ -
Grants and contracts									
Government of Canada	549	101	-	14,184	352	949	2,679	38,662	86,589
Government of Saskatchewan	261	58	98	71,858	244	1,321	823	329,289	420,168
Other governments	-	-	-	498	-	4	1,025	22,485	24,428
Non-government	224	502	-	12,056	139	692	3,556	13,665	53,256
Student fees	3,679	228	-	680	154	188	49	99,022	111,309
Gifts, grants and bequests	1,443	740	1,496	1,977	83	342	640	6,513	32,062
Sales of services and products	2,023	172	60	18,647	32	21	7,482	56,486	94,484
Income from investments	3	177	109	487	26	173	364	14,622	18,014
Real estate income	78	-	-	149	-	-	-	3,977	4,426
Miscellaneous income	269	21	99	478	6	97	178	11,774	15,974
	13,775	7,590	17,992	181,786	15,324	8,943	42,757	340,888	860,710
Expenses									
Salaries	7,466	5,328	9,455	105,022	11,435	6,103	21,686	123,838	427,691
Employee benefits (Note 21)	847	689	1,563	10,372	1,462	759	2,998	124,868	161,332
Operational supplies and expenses	2,437	613	1,033	36,865	857	1,223	6,644	47,526	118,596
Travel	1,137	259	160	3,532	360	196	698	4,127	17,105
Cost of goods sold	20	4	-	234	-	-	918	17,556	19,564
Maintenance, rental and renovations	165	3	122	1,140	4	7	722	7,894	12,971
Utilities	-	-	-	52	-	-	80	20,801	21,330
Amortization	-	-	-	-	-	-	-	64,807	64,807
Scholarships, bursaries and awards	1,381	515	1	4,319	247	602	2,353	8,680	35,030
Interest	-	-	-	-	-	-	-	22,294	22,294
Bad debt expense	-	-	-	2	-	-	24	333	372
Decommissioning costs (Note 16)	-	-	-	-	-	-	-	365	365
	13,453	7,411	12,334	161,538	14,365	8,890	36,123	443,089	901,457
Net revenues (expenses)	322	179	5,658	20,248	959	53	6,634	(102,201)	(40,747)
Interfund transfers (Note 25)	295	249	(3,240)	(7,360)	(357)	(357)	(3,395)	20,120	-
Net increase (decrease) in fund balances for year	**$ 617**	**$ 428**	**$ 2,418**	**$ 12,888**	**$ 602**	**$ (304)**	**$ 3,239**	**$ (82,081)**	**$ (40,747)**

See accompanying notes to consolidated financial statements

Officers of the University
2011/12

Officers of the University

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Vera Pezer (Chancellor)

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Art Dumont
Nancy E. Hopkins (Chair)
Greg Smith
Garry Standing
David Sutherland

Members Elected By Senate
Grit McCreath
Susan Milburn (Vice-Chair)

Faculty Member
Linda Ferguson

Student Member
Scott Hitchings

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Lea Pennock (University Secretary)

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Kevin Schneider (Acting, July 2011)

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Daphne Taras

Nursing
Lorna Butler

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School of Environment and Sustainability
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UNIVERSITY OF SASKATCHEWAN

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